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**INVESTIGATION OF IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD**

HEARINGS
BEFORE THE
SELECT COMMITTEE
ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD
EIGHTY-SIXTH CONGRESS
FIRST SESSION

PURSUANT TO SENATE RESOLUTION 44, 86TH CONGRESS

JULY 10, 13, AND 14, 1959

PART 56

**Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field**



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UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1959

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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

FRIDAY, JULY 10, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 10:30 a.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in the caucus room, Senate Office Building, Senator Barry Goldwater presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Frank Church, Democrat, Idaho; Senator Barry Goldwater, Republican, Arizona; Senator Homer E. Capehart, Republican, Indiana.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, assistant chief counsel; Paul J. Tierney, assistant counsel; Arthur G. Kaplan, assistant counsel; Walter J. Sheridan, investigator; Pierre E. G. Salinger, investigator; Leo C. Nulty, investigator; John R. Burns, investigator; Carl M. Schultz, investigator; Ruth Y. Watt, chief clerk.

Senator GOLDWATER. The committee will come to order.

(Members of the select committee present at the convening of the session were Senators Goldwater and Church.)

Senator GOLDWATER. Call your first witness.

Mr. KENNEDY. Mr. Ross Hill, Mr. Chairman.

Senator GOLDWATER. Will you raise your right hand?

Do you solemnly swear that the testimony you shall give will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HILL. I do.

TESTIMONY OF ROSS HILL

Senator GOLDWATER. Will you state your name, your address, and the business that you are in.

Mr. HILL. My name is Ross Hill. My address is 1412 West 166th Street, North Hollywood, Calif. I am an operating engineer, with the Operating Engineers in California.

Senator GOLDWATER. Do you waive counsel?

Mr. HILL. Oh, yes.

Mr. KENNEDY. Mr. Chairman, yesterday afternoon, at the close of the session, we had testimony from Mr. Maxwell in connection with a conversation that he had with Mr. Hoffa. One of the employers, truckowners, that he was representing, hired some Negro truckdrivers

and tried to send them into Detroit, into the jurisdiction of local 299, and Mr. Hoffa contacted him and told him that he was to keep out the Negro truckdrivers; that if they stayed around the jurisdiction of local 299 in Detroit, they were going to get hurt. From then on, they couldn't send any in.

So I am calling Mr. Ross Hill, who was kind enough to come back from California in connection with that matter.

Now you are presently employed, Mr. Hill, as a heavy equipment operator for the J & J Back-Hoe Co. in North Hollywood, Calif.?

Mr. HILL. That is right.

Mr. KENNEDY. In approximately 1950 or 1951, you drove for the Smith & Taylor Transportation Co.?

Mr. HILL. That is right; in Detroit.

Mr. KENNEDY. Which is a steel hauling company; is that right?

Mr. HILL. That is right.

Mr. KENNEDY. At that time, you held a card in local 337 of the Teamsters Union in Detroit?

Mr. HILL. That is right.

Mr. KENNEDY. That is the local that is run by Mr. Owen Bert Brennan?

Mr. HILL. Well, as far as I remember now, that is right.

Mr. KENNEDY. Then subsequently, you acquired your own truck?

Mr. HILL. I bought the truck from my employer, Mr. Smith, and so I started in business for myself, operating out of the same warehouse that he was operating out of previously.

Mr. KENNEDY. What did you call that company?

Mr. HILL. R. Hill & Son Transportation Co.

Mr. KENNEDY. At first you did business with a steel company in Detroit, but then that company went out of business?

Mr. HILL. They went out of business.

Mr. KENNEDY. And so you started to haul steel for the Ohio Northern Truck Lines, out of Youngstown, Ohio?

Mr. HILL. That is right.

Mr. KENNEDY. And that company is owned by Jake Protetch?

Mr. HILL. That is right.

Mr. KENNEDY. Mr. Protetch was the owner of the company while Mr. Hill was working there when the incident arose in connection with his difficulties.

At the time you went to work for Ohio Northern, you paid up your dues in local 337 and received a transfer card?

Mr. HILL. When I started working for Ohio Northern, Mr. Protetch told me I had to get out of the local I was in originally, because I had to work under the over-the-road agreement. So I paid up my dues in this local that I was in, and then placed my transfer in the office of 299. I just paid up and I made a regular transfer.

Mr. KENNEDY. Over to local 299?

Mr. HILL. Yes, sir.

Mr. KENNEDY. Also in Detroit?

Mr. HILL. Yes, sir.

Mr. KENNEDY. Then proceeded about your business; is that right?

Mr. HILL. That is right.

Mr. KENNEDY. Now at the time that you transferred, the officers of the local were at a convention; is that correct?

Mr. HILL. I didn't know it at the time, but they were at a convention; that is right.

Mr. KENNEDY. And before they returned from the convention, you had made some two trips to Youngstown, as a member of local 299?

Mr. HILL. Two round trips; that is right.

Mr. KENNEDY. Now could you tell us—when you came back from your second round trip, could you tell us what happened then?

Mr. HILL. Well, when I returned from Youngstown on my second load, the steward—Ernie was the local steward there for the terminal, and he told me I couldn't take out any more loads, and in fact I couldn't work for the company any longer.

So I asked him why, and so he said, well, the business agent told him that I couldn't work any longer for that company.

So I said, "Well, what is the reason?"

And so he said, "They don't want any more colored, or any colored fellows in this local."

I said, "What difference does it make?"

And so he said, "Well," he said, "basically to me it does not make any difference at all, but then they don't want any colored in this local."

And I said, "Well, OK, I will take care of that."

I had written a check to this local 337, and so I just called the bank and said, "If I am not good enough for them, they are not good enough to receive any money," and I called the bank and stopped payment on the check.

So I went home, and I stayed there that night, and next day Mr. Protetch had to come up to Detroit and Mr. Johnson and Mr. Protetch and a few other fellows from the terminal were in the office, and so I walked in the office myself, because I was interested in the whole matter because it was about me.

Mr. KENNEDY. Whose office was this?

Mr. HILL. This was the Ohio Northern Terminal in Detroit, on Dixie Avenue. I was listening to what they were talking about, and so Mr. Johnson told them they had too many colored brokers out of Detroit, and so Mr. Protetch told them, "Well, this is the only colored broker, because he is the only one registered in this State." My tractor was one and two.

Mr. KENNEDY. Mr. Johnson was from the union?

Mr. HILL. He was the business agent for local 299, and so then Mr. Protetch said, "What is the reason?" And he said, "We just don't want him in the local."

I was pretty angry, and I just walked out, because you know there is no use getting upset and hurting anyone, and so I walked out to my truck.

I think maybe in an hour or maybe less, Mr. Protetch came out and told me, and said, "Well, you have tried to place the check in the mail to the bank, and then came back and stopped payment, so let us settle this out."

And he said, "For you and for me, I will get you in the local in Youngstown and you won't have any trouble."

So I said, "Well, OK," and he said, "Take the money down there now, and don't take another check, because they won't receive it, but take the money down and pay them up and get the transfer card and

tomorrow morning meet me in Youngstown, and I will put you in a local down there."

So I did that, and I went down and paid my money.

Mr. KENNEDY. To whom did you pay your money?

Mr. HILL. I paid the money to 337.

Mr. KENNEDY. Because you had stopped the payment on your check?

Mr. HILL. That is right.

Mr. KENNEDY. And so you had to get a transfer card, and you hadn't been able to get in 299 because of what you have outlined, and so then your boss came out and said, "This is impossible with local 299, but I can get you into a Youngstown local."

Mr. HILL. That is right.

He also told me, too, that "you must realize that you are colored and they don't want you in this local."

And I said, "Well, OK, what can you do about it?"

And I said, "All right, we will go down to Youngstown and do it your way."

Mr. KENNEDY. Did you transfer over to the Youngstown local?

Mr. HILL. Oh, yes, they accepted me very nicely down there.

(At this point Senators Mundt and Capehart entered the hearing room; Senator Church withdrew from the hearing room.)

Mr. KENNEDY. What local did you transfer to?

Mr. HILL. Local 337 in Youngstown; that is right.

Mr. KENNEDY. Thereafter, did you take any loads into Detroit?

Mr. HILL. Yes, sir. I took loads into Detroit, but I had to stay away from the terminal.

Mr. KENNEDY. That is the terminal operated by local 299?

Mr. HILL. That is right, operated directly by local 299.

Mr. KENNEDY. You had to stay away from their terminal?

Mr. HILL. Yes, the Ohio Northern Terminal.

Mr. KENNEDY. Which was under the jurisdiction of local 299?

Mr. HILL. That is right.

Mr. KENNEDY. How was that arranged? Were you told you weren't to take anything there?

Mr. HILL. Ernie told me, and so did Mr. Protetch tell me, "For the time being, Ross, just stay away from the terminal and take your loads and deliver the loads, and then deadhead back to Youngstown."

I live very close to the terminal, and so I usually went home and deadheaded back to Youngstown.

Mr. KENNEDY. Ordinarily you would take your load there and pick up another load?

Mr. HILL. Naturally.

Mr. KENNEDY. That is what the ordinary driver would do, taking his load. As far as you were concerned you had to take the load into the terminal and you have to drop the load, and you have to deadhead back because you wouldn't be able to pick up a cargo like anybody else?

Mr. HILL. That is right, because normally you are supposed to come into the city and take your tractor and trailer into the terminal and the city driver is supposed to take your load out.

You don't have to let him drive your truck if you don't want to, and you can go along with him and drive the truck yourself, and he will sit along with you. There is a normal fee for that, for a broker.

He had to pay the city driver a certain small fee, and you don't have to pay him out of your pocket. The company will do that.

Also when you finish unloading, your name goes on the list to go out on whichever load comes out next. You don't always get a load, and sometimes you get a load and sometimes you don't, but you are on the roster for the load out, the return route.

Mr. KENNEDY. And you never were on the roster?

Mr. HILL. That wasn't my privilege, you see.

Mr. KENNEDY. That was because of the fact that you were colored?

Mr. HILL. That was the definite fact, and Ernie could tell you and so could Mr. Protetch, and I guess the manager of the office there, he could tell you.

Mr. KENNEDY. Is it a fact that because of local 299 not allowing you to pick up cargoes, you lost money or did not make as much as you should?

Mr. HILL. Basically, I went broke.

Mr. KENNEDY. You had to sell your truck?

Mr. HILL. I sold my truck, and I had to sell my car and my house and everything else.

Mr. KENNEDY. Is this generally known? How long did you stay in the Detroit area, or drive, before you moved out West?

Mr. HILL. Let me see. What I did, I started working up until the point I couldn't stand it any longer, and so after I got rid of my truck I started working directly for Mr. Protetch as a driver of his firm.

So then I could come into Detroit then and take my load into the yard, because that was his truck, and I would either go home and rest, or deadhead back that night, either way, but I could lay around the terminal and relax awhile.

Mr. KENNEDY. Did you understand that he had to make some arrangements?

Mr. HILL. He told Ernie when I came in there just not to bother me, and that everything would be all right.

Mr. KENNEDY. So Ernie—

Mr. HILL. Ernie would turn his back on that matter, yes, because naturally sometimes he was pretty well petted, he only made 2 or 3 hours a day, and he would get paid for his whole 8 or 9 hours, so naturally he would listen to Mr. Protetch under those circumstances.

Mr. KENNEDY. How long did you stay in that area?

Mr. HILL. I stayed in that area until—well, let's see, I think I moved to Youngstown when I started working for them, and then I moved back to Detroit.

Mr. KENNEDY. When did you finally move to California?

Mr. HILL. In 1957.

Mr. KENNEDY. Was it pretty well understood that colored people would not be accepted in local 299?

Mr. HILL. That was the normal procedure. In fact, when I placed my transfer, I was in doubt. But, I mean, that was the thing to do. Here is an office right here of one window for 337 and the next window only maybe 15 or 20 feet, local 299 office.

So why should I walk from there over to Youngstown? So I naturally placed my card in that office there. In the 299 office.

Mr. KENNEDY. This was as far as the over-the-road drivers were concerned, that they wouldn't accept?

Mr. HILL. That is right, over the road. This other local was for mostly scrap iron haulers and local city deliveries.

Mr. KENNEDY. Local 337?

Mr. HILL. Yes.

Mr. KENNEDY. They had colored drivers?

Mr. HILL. Yes; all over the city.

Mr. KENNEDY. But local 299, those who did over-the-road work, such as you, generally were not accepted?

Mr. HILL. No. There were some companies like Hanstrom and another company working out of Kelsey-Hayes; they were in local 299. But there were quite a few. The company was large so they had to take them as kind of like a group insurance, you know; they had to take the good with the bad.

So that is the way it was set up. I talked to one of these fellows over there and he told me.

Mr. KENNEDY. Do you mean they already had some colored drivers there and in order to get that whole group into 299 they had to take some of the colored drivers as well as the white drivers?

Mr. HILL. That is right.

Mr. KENNEDY. So in those couple of cases there were some over-the-road colored drivers in local 299?

Mr. HILL. That is right.

Mr. KENNEDY. But it was generally accepted, while you were in Detroit, that colored drivers as individuals were not accepted in over the road?

Mr. HILL. You could never get in. You could walk into the office, and then you would just walk away, because they wouldn't talk to you about it.

Mr. KENNEDY. Mr. Chairman, we have an affidavit from Jacob Protetch and some other affidavits in connection with this matter.

Could I have them accepted into the record and read the pertinent parts?

Senator GOLDWATER. Yes. They will be made exhibit Nos. 75 A, B, and C.

(Affidavits referred to were marked "Exhibit Nos. 75 A, B, and C" for reference and may be found in the files of the select committee.) and may be found in the files of the select committee.)

Mr. SALINGER. First, the affidavit of Jacob Protetch:

My company grew during my years in business and during the last few years I was in business I had approximately 100 trucks working for me. The 100 were composed of about 25 of my own trucks and the remainder were owner-operators.

I have never in all my years in business discriminated against an employee because of nationality, color, or creed. This, however, I cannot say about local 299 in Detroit, Mich. If I wanted to hire a colored driver or owner-operator in Detroit, I would have to send the man to Youngstown, Canton, or Cleveland to get him into the Teamsters local in one of those cities, because Teamsters Local 299 would not take colored drivers.

I remember one case in particular. It happened in 1953 or 1954. The man involved was Ross Hill, a Negro owner-operator. Hill lived in Detroit and was a good, reliable man. I wanted to hire Hill but local 299 in Detroit refused him membership in their local, so I had to have Hill come down to Youngstown and join local 377, who would accept Negroes.

Threats that there would be reprisals if I didn't stop sending Negro drivers to Detroit were continually made, but I kept sending Negro drivers into Detroit. I do not recall if any of the threats were actually carried out.

MR. KENNEDY. Do you know if any of the colored drivers that went into Detroit, whether any of their trucks were sabotaged or whether they got into difficulty with local 299?

MR. HILL. Well, I don't know personally. I know I had a lot of strange breakdowns sometimes. But I could never pinpoint it.

MR. KENNEDY. Do you know of any? Was it reported to you?

MR. HILL. No, I didn't know. There wasn't any.

SENATOR GOLDWATER. Were you ever threatened about coming into 299?

MR. HILL. No, I wasn't. I was never threatened. There was never a threat, just a pointblank refusal.

MR. KENNEDY. Local 299 is the local that is headed by Mr. Hoffa. I might point out that he has a statement in the International Teamster of April 1959, on page 6, which is entitled "Plain Talk," and it is then titled, "Hoffa on Integration." Then he spends a considerable amount of time stating how strongly he feels about integration.

SENATOR GOLDWATER. Yet his own local practices segregation.

MR. KENNEDY. Evidently, according to the testimony.

SENATOR CAPEHART. Mr. Chairman—

SENATOR GOLDWATER. Senator Capehart?

SENATOR CAPEHART. Are there any colored people in local 299?

MR. HILL. Yes; there are some in local 299.

SENATOR CAPEHART. How many would you say?

MR. HILL. At that time, I would say approximately five, split up between these two companies that I know, because I know one—two fellows working at this one warehouse and this Hanstrom, he had at least three.

SENATOR CAPEHART. How many members are there in local 299?

MR. HILL. An enormous amount.

MR. KENNEDY. About 12,000.

SENATOR CAPEHART. What year was this that there were only five?

MR. HILL. I am almost sure that it was 1953. It can be checked.

SENATOR CAPEHART. In 1953 there were only five colored members of local 299?

MR. HILL. That is right.

SENATOR CAPEHART. You know that to be from your own knowledge?

MR. HILL. From my knowledge; not from just plain—I didn't make any research on the matter; I didn't check into it real close, but then again I am almost sure there was only five. There might have been six, but that is all. It wouldn't be 10.

SENATOR GOLDWATER. Am I correct in remembering that the membership was 12,000?

MR. HILL. Yes, sir.

MR. KENNEDY. Mr. Chairman, I might say that Mr. Hoffa has stated in his speeches around the country that there are 16,000. According to the per capita payment there are 12,000 to 13,000 at the present time.

SENATOR CAPEHART. You never were a member of 299?

MR. HILL. No; I never had the privilege. No, sir.

SENATOR GOLDWATER. Would you call it a privilege?

MR. HILL. Well, I mean, it would help me in my work; it would have been a privilege because of the fact that I would have been able

to work and had a little bit more peace and harmony at home, and probably wouldn't have gone out of business, and I probably would have saved a lot of embarrassment on myself.

Senator GOLDWATER. Is it generally known across the country among Negroes that that situation exists in Detroit in that local?

Mr. HILL. In Detroit—just a moment now. Normally, the drivers from that area, from the Detroit area, would usually go to Toledo and join up with the Teamsters in Toledo because they couldn't join the over-the-road local in Detroit. Some drivers used to work for Interstate and they would have to hire out.

The Interstate office in Detroit wouldn't hire them. They would either tell them to go to Grand Rapids or to Toledo or Chicago and join up there, because they know they couldn't hire them out of there because of that one thing. They knew it, too.

They would try it. I mean, you will always knock on a person's door. But then when you find he wouldn't open it, you just go away, that is all.

Senator GOLDWATER. Does that situation still exist in 299 to your knowledge?

Mr. HILL. No; I don't believe so. I mean, I think they would try to take a percentage to override the matter now. It is funny, you know, when things start going kind of bad for different things, and highlights are on different things. They try to take a certain percent of Negroes to make everyone feel that, "I am a loyal citizen of this country." So they do that.

Senator GOLDWATER. Do you have any evidence, Mr. Counsel, to indicate that they have changed their attitude?

Mr. KENNEDY. I don't have any information one way or the other, Mr. Chairman.

Senator GOLDWATER. I think it would be a good thing for you to have your investigators determine whether or not the policy of 299 is still one of objecting to Negroes belonging to the union, to that local. If they haven't changed that attitude, and Mr. Hoffa is the head of that particular local, I think it is a very black mark against him.

I think it will probably be one of the most atrocious things that this committee has brought out, to find segregation being practiced in a union any place in this country.

I would like to find out if that is true.

Senator CAPEHART. Mr. Chairman, why don't we ask the local to tell us the exact number of Negroes that they had in their union in 1953 and the exact number they have today? That would, I think, settle the argument as to how much they discriminate. Why don't we do that?

I make a motion that we ask them to file a statement with the committee setting forth the exact number of Negroes they had in 1953 as members and the exact number they have today.

Senator GOLDWATER. I believe the counsel can find out by a telephone call to the Detroit investigator. Am I correct?

Mr. KENNEDY. Of course, we would have to rely on what the local officials told us because we have no other way of knowing.

Senator GOLDWATER. If you have to rely on that, I think you would be better off walking in and looking at the books. I wouldn't rely on them too much.

Mr. KENNEDY. You can't tell from the books.

Senator MUNDT. You would have to make it in the form of an affidavit some way so it would be a sworn statement.

Senator CAPEHART. How did you ascertain in 1953 there were only five or six members?

Mr. HILL. When I was in local delivery around Detroit, I was working out of a lot of warehouses in the city. So in doing so, I used to unload with fellows that worked for Hanstrom because they used to deliver produce for A. & P. and they also hauled steel around the city. So I met a few fellows in local 299.

In fact, I walked up to a fellow and said, "Gee, you belong to local 299." And he said, "Oh, yes; two or three of us belong." I said, "Well, that is nice." This other fellow that worked over out of Kelsey-Hayes, delivered goods for Kelsey-Hayes, they had at least two that were members of that local because they had to deliver steel from Detroit to Jackson, Mich. That is why they belonged. That is why I found that out at that time.

Senator CAPEHART. Are you a member today of the union?

Mr. HILL. I am a member of the Operating Engineers.

Senator CAPEHART. The Operating Engineers?

Mr. HILL. That is right.

Mr. KENNEDY. You are talking chiefly about over the road, aren't you?

Mr. HILL. Chiefly. If you want to be a warehouse handler or something like that, or a cabdriver, or something like that, you can join the Teamsters.

Mr. KENNEDY. But we don't know what percentage of the 12,000 is actually over the road. In 299, for the most part, it is over-the-road drivers.

Mr. HILL. It is definitely over the road.

Senator CAPEHART. Are you changing your testimony, then, that five or six colored people you are talking about was not the sum total of the 12,000 members?

Mr. HILL. I believe five or six was really the total at that time.

Senator CAPEHART. Of the 12,000?

Mr. HILL. Of the 12,000. I really believe so. I might be wrong, but, percentage-wise, I think I am pretty close.

Senator MUNDT. Mr. Hill, are you basing that testimony on some other information beside your personal observation? You didn't see anywhere near 5,000 of the 12,000 persons?

Mr. HILL. No.

Senator MUNDT. How would you know? You must have some other basis. You said you had seen 5 or 6 colored people that belonged, but you didn't see anywhere near all the 12,000 people.

You must have gotten information from some other source. How can you say that there were only 6 out of 12,000, or are you saying that you saw only 6?

Mr. HILL. No; I didn't see the six. When you talk to a fellow that worked for a firm, you ask him how many fellows belong to 299. So he would tell you how many belong there.

Then by seeing this other fellow with a 299 badge on, the button, you would ask him also, because it would be kind of a strange sign.

So you would ask him. There wasn't any other companies that were hiring mostly Negroes to work around there. You can work in a scrap-iron yard. - That didn't make a difference.

If it was 12,000 or 10,000 or how many members, total membership, I do not know. But I am almost positive that it was only about five or six.

Senator MUNDT. I understand, then, that 12,000 members or 16,000 or 12,000, whatever it is, that they all worked for either one company or another, the colored members?

Mr. HILL. No; out of the 12,000 you would say that they were working for Hess Cartage or Green Cartage or any other companies out of Detroit—Michigan Transportation, or different companies like that, that drove over the road.

Senator MUNDT. About how many companies, in other words, employed the 12,000 people? Two or three companies?

Mr. HILL. No. It is a lot of trucking companies in the city of Detroit and in the State of Michigan. I wouldn't know just how many.

Senator MUNDT. You made your survey by going to somebody you knew in each company and asking how many people worked for that company?

Mr. HILL. No. These other companies like Hess Cartage didn't hire any colored at all. I wasn't going around finding out how many colored they had here or over there because it didn't make any difference. It was just by chance. I worked with these fellows and I noticed they had the badge on so I would ask them how many colored belonged to 299, so this fellow would tell me.

Then, in another instance, I was working with this other fellow, and I would ask him also, because it would be a strange thing.

Senator MUNDT. What I am trying to get to my satisfaction, Mr. Hill, is whether you found six colored people and thereby assumed that that was all of them, or whether you made some kind of survey of the whole membership to determine how many colored people were in the 12,000.

Mr. HILL. I didn't make a survey.

Senator MUNDT. There were six that you knew of?

Mr. HILL. That is right.

Senator MUNDT. Do you think there might be 100 that you didn't know of?

Mr. HILL. I doubt it very much, very much.

Senator MUNDT. On what basis do you doubt it? That is what I want to find out. Did you make a study of it or a survey or did some organization do that or on what do you base your figure of six?

Mr. HILL. I base my figure on the fact that Hanstrom would accept Negroes. This other company would accept Negroes. Alger, Hess, Michigan Transportation, and other companies around the city wouldn't accept Negroes because—

Senator MUNDT. Was that because of the union or the company?

Mr. HILL. Because of the union; that is right. They didn't want to have any trouble with the union so they wouldn't accept you. Like this other company I was speaking of, Interstate, and Midwest Trucking, or something like that—

Mr. KENNEDY. Midwest Haulers?

Mr. HILL. Yes. They were hired out of another office. Like this Interstate, I went over there. Before I would go to Youngstown, I would hate to go all the way to Youngstown to hire out because I lived in Detroit. So I would say I didn't want to go too far. Trans-American would hire some Negroes out of Cleveland, and Kaplan would hire Negroes out of Cleveland. So I knew this one company over there—I didn't want to haul freight because I had a steel hauling truck—so I went to Interstate to hire out there.

They said, "You can go to Grand Rapids or Toledo and sign out there. We don't hire out here." So I said OK.

Senator MUNDT. What I am trying to do is to establish for the record as accurate a statement as we can as to the number of Negroes. I certainly agree with Senator Goldwater that if either the companies or the union have a discriminatory policy that says they cannot hire a truckdriver because he happens to be a Negro, that is un-American, unjustifiable, and a dastardly policy.

We ought to pin down the responsibility. We ought to be sure of our facts. I am wondering how firm your figure is of six, or whether, if we go up and make an investigation and study, we will find that there are a lot of Negroes, and you came across only a few, or whether you made an extensive enough survey that you are pretty sure it wasn't 6 or 10 out of the whole 12,000, and you are pretty sure it was not because of company policy but because of union policy.

Then we would have something pretty firm. It certainly is indeed a very serious charge against the union and something which it seems to me should be ventilated, should be disclosed, and should be corrected. But we want to be sure of the facts.

I don't know, as yet, from your testimony, whether this is sort of a casual observation you made on the basis of asking people that you knew or whether you really made a pretty good check of the whole 12,000.

Mr. HILL. Let's say this: Let's say my observation of the Negroes employed there was very casual. But let's say that the very positive part of it is that the companies would not hire Negroes because of the fact that they would have trouble with the union.

Now, that I know. I don't have to ask anyone about that. The figure of how many Negroes, I don't know.

Senator MUNDT. Can you give us the names of companies, then, whose officials will come in to testify, or who will make out affidavits, that "We will not hire Negroes, not because of any company policy but because if we hire Negroes we think we are going to get in trouble with Jimmy Hoffa or with Jimmy Hoffa's union"?

Do you know some companies of that type?

Mr. HILL. I wouldn't be able to tell you the exact officials. You know, you can't always—

Senator MUNDT. No. If you know the company, we can find out the official.

Mr. HILL. Now, maybe it might be different.

Senator MUNDT. We are talking about what year?

Mr. HILL. I would say 1953. I am almost sure that you can spot check it.

Senator MUNDT. All right. Name the companies which in 1953 had that.

Mr. HILL. I would say this company, Interstate.

Senator MUNDT. Interstate?

Mr. HILL. That is right.

Senator MUNDT. That is in Detroit?

Mr. HILL. That is right. If they would really tell you the truth about it. I mean, some companies evade the issue.

Senator MUNDT. Well, we have to assume that all you fellows sitting behind the mike, when you raised your right hand to tell the truth, you are telling the truth.

Mr. HILL. I am telling the truth.

Mr. MUNDT. And I think you know you have to tell the truth.

Mr. HILL. That is right, or else.

Senator MUNDT. That is right. Go ahead. Interstate. What else?

Mr. HILL. Interstate in Detroit. I would say Kaplan in Detroit.

Senator MUNDT. Kaplan?

Mr. HILL. Kaplan.

Senator MUNDT. Kaplan Trucking Co.?

Mr. HILL. Yes. And I would also—this Midwest, they have a turn-around point in Michigan. I think it is in Monroe, Mich.

Senator MUNDT. Midwest Haulers?

Mr. HILL. Midwest Haulers. Well, Hess, Alger—

Senator MUNDT. Is that a Detroit company?

Mr. HILL. Yes.

Senator MUNDT. Hess Trucking Co.?

Mr. HILL. That is right.

Senator MUNDT. Alger Trucking Co.?

Mr. HILL. That is right.

Senator MUNDT. Go ahead.

Mr. HILL. And Michigan Transportation.

Senator MUNDT. Michigan Transportation?

Mr. HILL. That is right. If I had a list of companies, I would give them.

Senator MUNDT. That is pretty good for a point of contact. You don't have to give all of them.

Mr. HILL. You would get a pretty good start if you started with Alger. What made me kind of angry about Alger was one of the relatives in the Alger family was secretary of state or something in the State of Michigan, and they didn't even have Negroes washing trucks out there. That isn't a privilege, you know, to wash a truck.

Senator MUNDT. Is the truck washer a Teamster?

Mr. HILL. No. They wouldn't have them out there. Truck washers are Teamsters, that is right, at Alger's.

Senator MUNDT. You are telling us that the Alger company did this not because of any attitude of discrimination on their part, but because they were afraid if they hired a Negro, they are in trouble with Jimmy Hoffa's union?

Mr. HILL. That is right. In fact, I know one of the stewards of Alger now; he is a business agent for 299. So for your own benefit, you can check better than I can.

Senator MUNDT. I would like to ask a question about the city drivers. If you get to the city limits, you have to have another driver take you through town; is that the way that works?

Mr. HILL. Do you mean when you are hauling a load from over the road?

Senator MUNDT. Yes. You said something about you had to have the city driver come in, but he didn't drive the truck; he just sort of sat there.

Mr. HILL. They have an agreement with the companies when you bring a load into the city, they have a city man, they call him, who is supposed to deliver the load. That is in the contract.

He is supposed to stay at the yard and deliver the load. If there are too many trucks come in, they call the hall and send another man out to deliver the load with you.

That was the agreement that they had made.

Senator MUNDT. This is in the contract that the Teamsters have with the company?

Mr. HILL. That is right; yes.

Senator MUNDT. When you get to the city limits, another driver comes in and sits beside you?

Mr. HILL. Or takes your truck.

Senator MUNDT. Sort of like a pilot in a harbor who takes a boat?

Mr. HILL. Who takes a boat in; that is right.

Senator MUNDT. But you tell us that the driver does not really drive the truck. Is he there to tell you what route to take through town?

Mr. HILL. No. I say that the driver can take the truck if you let him. But most fellows, if they buy a piece of equipment, they would rather drive it themselves. So what they would do is just say, "Well, get in, and I will go and deliver the load."

Senator MUNDT. I am trying to get down to the point of what service, then, does your companion sitting beside you render? A man in a harbor, if you get a harbor pilot, he knows where the reefs are, he knows the depths of the harbor, he renders a service, and I can understand that. He is very well paid for it. It is one of the best-paid jobs in this country.

What service does this driver do who sits beside you?

Mr. HILL. On unloading steel loads, he is no service to you at all. But unloading freight, I believe he would be most essential because sometimes you have freight deliveries—you might have about five or six deliveries on one truck, and you would have an open-top tandem, or something like that, and he would be a great service to you then.

But on steel delivery; no.

Senator MUNDT. Is his function to sort of guide you through town, to guide you to the various delivery points? Is that what he is supposed to be there for?

Mr. HILL. No. He is supposed to deliver the load. If you say, "Go ahead and take my truck," you can go into the terminal and lay down and go to sleep, and he is supposed to deliver the load. That is supposed to be his job.

Senator MUNDT. How would you be handicapped if you didn't have that fellow? Would you deliver the load yourself?

Mr. HILL. Yes. You would deliver the load like you do any other time.

Senator MUNDT. Is this featherbedding, then?

Mr. HILL. Yes; more or less. It is a deal where you are paying a little extra money for nothing. I think it is \$10 that you had to pay him.

Senator MUNDT. It is like a standby, like with Jimmy Petrillo, when you have one orchestra that you are paying and you have another one that is standing by, listening to the music.

Mr. HILL. It is sort of like that.

Senator MUNDT. That is a supercharge loaded on the truckowner or the shipper.

Mr. HILL. No, not the shipper.

Senator MUNDT. But it provides more dues for the owner.

Mr. HILL. Not the shipper, but the truckowner.

Senator MUNDT. The truckowner has to get it from the shipper.

Mr. HILL. No; the shipper doesn't pay anything but what is on the bill of lading. This comes out of your 75 percent or 72 percent that you receive.

Senator MUNDT. If you are an owner-operator, it is kind of tough on you because it comes out of your pocket?

Mr. HILL. That is right. It comes out of your broker's check.

Senator MUNDT. You don't think there is really much justification for this extra rider?

Mr. HILL. Well, I think it was set up for freight. I believe it was. In freight, it would be essential. But in steel it is useless.

Senator MUNDT. But you have to do it either way?

Mr. HILL. Yes. You can't do a thing about it.

Mr. KENNEDY. You had your own personal experience beyond what you knew from other people. You had your own personal experience?

Mr. HILL. That is right.

Mr. KENNEDY. And which you have testified to here.

And then we had the testimony of Mr. Maxwell yesterday, on the basis of a personal conversation with Mr. Hoffa, and he had his own personal experience.

We had the affidavit from Mr. Protetch, and we have other affidavits.

May I go ahead?

Senator GOLDWATER. Yes.

TESTIMONY OF PIERRE E. G. SALINGER—Resumed

Mr. SALINGER. We have the affidavit of Victor Sharpe, former operations manager for Fleet Carriers, Inc.

He relates that while he was in that position they had a Government contract calling for delivery of Army vehicles to various points. He sent a Negro applicant over to local 299:

We told him we would hire him, but before we could do this, he would have to join the Teamsters Union, Local 299, here in Detroit. He went over there to make application to join the union so that he could work for us. Shortly after he did this, a couple of fellows came over from local 299. They told me in no uncertain terms not to ever again send over any Negro applicants as they wanted no part of them.

After that, I complied with their demands.

We have the affidavit of Mrs. Charles Stovall, who owned and operated a truck in Detroit, Mich., at the same time Mr. Hill did.

Mr. KENNEDY. Was this during the war?

Mr. SALINGER. That is right.

Mr. KENNEDY. That would be 15 years ago?

Mr. SALINGER. 1944; right.

Mrs. Stovall also leased a truck to the Ohio Northern Trucking Co., the same as Mr. Hill did.

In our operation, we hired Negro over-the-road drivers who lived in Detroit and referred them to local 299, Detroit, for union membership. We were told by these drivers that local 299 always told them, when they applied for membership, that they could not be accepted because the membership was filled.

Mr. KENNEDY. You spoke of 1953 as to how many individuals you knew who were Negroes in local 299.

Did this procedure, from your own experience or from conversations that you had with other people, go on after 1953? Did you understand that it was the situation when you left Detroit or left that area?

Mr. HILL. In 1957?

Mr. KENNEDY. Yes.

Mr. HILL. I didn't check on that. After I joined the Operating Engineers, I just kissed the Teamsters goodbye. That is all.

So I never worried about the Teamsters any more.

Mr. KENNEDY. So it would be just up to 1953?

Mr. HILL. I would say up to 1955—1955 was when I was forced to file for bankruptcy.

Mr. KENNEDY. So you knew the situation up to 1955?

Mr. HILL. That is right.

Mr. KENNEDY. That is all, Mr. Chairman.

Senator GOLDWATER. Do you have any problem of segregation in the Operating Engineers?

Mr. HILL. Well, no; I haven't had any trouble at all with the Operating Engineers. If you are qualified, you get the job.

Senator GOLDWATER. Do you, as a Negro, know of any other unions where segregation is practiced?

Mr. HILL. Sure, quite a few.

Senator GOLDWATER. Would you name some?

Mr. HILL. I would be willing to say, I am not too sure—like the Steamfitters, the Steelworkers—

Mr. KENNEDY. The Sheet Metal?

Mr. HILL. The ones that hang steel for buildings. Not sheet metal. Steelworkers, the ones that hang steel for buildings, Structural Steel Workers, that is right. I am a crane operator as well as just a regular back-hoe operator.

Mr. KENNEDY. This might be some particular local? Is that what you are talking about?

Mr. HILL. No, just a customary fact.

Mr. KENNEDY. Certainly the Steelworkers generally are not segregated, if that is the union you are talking about.

Mr. HILL. I am almost certain it is. That would be up to you, but I am sure that is the fact. You can check on that for yourself.

Mr. KENNEDY. That would be in some local which you are familiar with, because I have seen a lot of locals—when we are talking about the Teamsters, we are talking about just one local.

Mr. HILL. That is true.

Mr. KENNEDY. It is not true of the Teamsters generally.

Mr. HILL. No.

Mr. KENNEDY. What I want to do is to make sure we keep whatever statements are made in connection with this definitive and talk about particular situations; not condemn generally the whole union.

Mr. HILL. No, I wouldn't say the whole International for the Steamfitters, but in certain areas you find that; yes, that is right, in certain areas you find that—in certain locals.

Senator GOLDWATER. Do you have any Negro friends who are bricklayers?

Mr. HILL. Yes.

Senator GOLDWATER. You have Negro friends that belong to the Bricklayers Union?

Mr. HILL. Yes. Well, in Youngstown, in Detroit, and some in Los Angeles, too.

Senator GOLDWATER. Do you find in California any great problem of segregation among local unions?

Mr. HILL. No. It is pretty broad there. I have not had any trouble at all. Overall I haven't; no. I mean, I haven't seen any at all.

Senator CAPEHART. You said a moment ago that there was a number of other unions that discriminated against Negroes, and you named the Steelworkers and others. Do you still want to testify to that effect?

Mr. HILL. Well, I would say this: In Detroit I was familiar with them then, not hiring any Negroes out of that local.

In California, I found that they worked, either one way or another they worked in the Steelworkers Union.

Senator CAPEHART. The colored people were discriminated against?

Mr. HILL. In the Detroit area; yes. You will find a lot of discrimination in Detroit, if you check on it.

Senator CAPEHART. A lot of discrimination on the part of unions?

Mr. HILL. On the part of unions with Negro workers in Detroit.

The Steelworkers, and I would say the Steamfitters.

In the first place, you find that a man is working there who says, "I am a steamfitter" and I would have to have so much experience. Sometimes you find a lot of colored fellows work for different firms, small firms, where it wasn't covered by the union. So they get their experience by picking it up here and there, work here and there. They usually have pretty qualified experience, but they haven't got bona fide experience. They haven't a journeyman's card and all of that. That is why they turn them out, like that.

While a lot of fellows can work 4 years or 5 years as an apprentice, and then go in and get a journeyman's card.

Senator CAPEHART. Are you testifying that to your best knowledge it is common practice?

Mr. HILL. I would testify that in Detroit the common practice with Steelworkers in there and the Steamfitters would be that way.

Mr. KENNEDY. So that we get it straight, it is the Structural Steel Workers.

Mr. HILL. The Structural Steel Workers.

Mr. KENNEDY. That is a different union than the Steelworkers. We are talking about a particular locality, and not the Structural Steel Workers generally.

Senator CAPEHART. What is structural steel?

Mr. HILL. Well, Steelworkers would be talking about the ones that work in the steel mines. I am not talking about those. I am talking

about structural steel, working on a construction job, and building new buildings, things like that, the building trades.

Senator CAPEHART. You think it is common practice?

Mr. HILL. It is. It is common practice.

Senator CAPEHART. My observation has been that there has been no discrimination.

Mr. HILL. Do you mean with structural steel?

Senator CAPEHART. Well, I have built a number of buildings and factories, and I never observed any discrimination.

Mr. HILL. Did you notice any colored workers there hanging steel?

Senator CAPEHART. Yes.

Mr. HILL. Well, now, maybe I may be wrong.

Senator CAPEHART. This wasn't in Detroit. This was in Indiana. Most people like to move to Indiana and work in Indiana.

Senator MUNDT. How do you account for the fact that Detroit happens to be the center of segregation, if you have it in the Teamsters, in the Steelworkers, the Structural Steel Workers; that is, in the Steamfitters? Do you have it in any others?

Mr. HILL. No. I know a lot of electricians and they belong to the union and they haven't had any trouble. But those three you would find would be rather tight. In fact, you can make more or less a survey on it and find out more for yourself.

Usually you will find that Detroit is for the factories, for the regular factory work; most of them are only familiar with that type of work.

So a lot of them—you will find a lot of them that have no other business, where they can't go any further, that is all.

Senator MUNDT. In other words, in Detroit, in the unions, a colored man can get a job at comparatively low pay, manual labor, but it is difficult for him to belong to a union which is more of a skill to belong to the union?

Mr. HILL. That is right. You will find that even—well, it is always a known custom that we are the last one to get there and the first to go.

That is the normal practice.

Senator MUNDT. In those three unions?

Mr. HILL. No; more or less in any walk of life. It is better now. Life is better. Things are better. Life itself is better. Human beings are getting more to where they are civilized; and, if a man is a man, he qualifies. So it is better now. It is still a little touchy. Some people can't quite face it, but it is coming, and it is here; and, if a man is qualified, he is supposed to be able to do the job. If he isn't qualified, kick him out. I don't care what color he is.

Senator MUNDT. I am glad it is getting better, because I live in a State where it happens there isn't any discrimination, out in South Dakota. If you want to move out there, we will welcome you.

Mr. HILL. I used to go hunting out there. It is real nice.

Senator MUNDT. Pheasants were just as available to you as to anybody else?

Mr. HILL. That is right, as long as you pay that price.

Senator MUNDT. All right. As long as you pay the license.

Senator GOLDWATER. Thank you very much, Mr. Hill. We appreciated your testimony.

Mr. KENNEDY. Mr. Hill, thank you very much.

Senator GOLDWATER. I can't say that I envy you going back to California, but you might stop in Arizona on the way.

Call your next witness.

Mr. KENNEDY. Mr. Riss.

Senator MUNDT (presiding). Do you solemnly swear that the testimony you are about to give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RISS. I do.

**TESTIMONY OF RICHARD R. RISS, ACCOMPANIED BY COUNSEL,
DONALD S. DAWSON**

Senator MUNDT. You may be seated.

Tell the committee your place of residence and your business or occupation.

Mr. RISS. My place of residence is in Kansas City, Mo. I am in the trucking business.

Senator MUNDT. As a driver or an owner?

Mr. RISS. An owner.

Senator MUNDT. Is the gentleman beside you your lawyer?

Mr. RISS. Yes, sir.

Senator MUNDT. Would you identify him for the record?

Mr. RISS. Mr. Donald Dawson.

Senator MUNDT. And give his address.

Mr. RISS. The Washington Building, Washington, D.C.

Senator MUNDT. All right.

Mr. KENNEDY. You are president of the Riss Co. of North Kansas City, Mo.; is that right?

Mr. RISS. That is right.

Mr. KENNEDY. And you have been in the trucking business since about 1920?

Mr. RISS. About 1930.

Mr. KENNEDY. You also have a company called the Transport Manufacturing & Equipment Co.?

Mr. RISS. I do.

Mr. KENNEDY. And that company is also owned by you?

Mr. RISS. Yes.

(At this point Senator Goldwater withdrew from the hearing room.)

Mr. KENNEDY. Transport Manufacturing & Equipment Co., they own all the mechanical equipment; is that right?

Mr. RISS. Most of it; yes.

Mr. KENNEDY. And Riss & Co. operates the rolling stock on a lease agreement with T.M. & E.?

Mr. RISS. Yes.

Mr. KENNEDY. Mr. Riss, it is our understanding that you have an arrangement that you pay a cent and a half to the drivers each mile in lieu of the fringe benefits; is that correct?

Mr. RISS. Yes.

Mr. KENNEDY. With whom was that arrangement made that you would pay the cent and a half in lieu of the fringe benefits to the drivers?

Mr. RISS. The arrangement was actually made with the 11-State area.

Mr. KENNEDY. Did you discuss it first with Mr. Hoffa?

Mr. RISS. Yes, I did.

Mr. KENNEDY. You went up to Detroit and saw Mr. Hoffa?

Mr. RISS. I don't recall. I believe that I saw him in Chicago. But I can't recall just where I saw him.

Mr. KENNEDY. And he agreed to it at that time?

Mr. RISS. He agreed to have it submitted to the committee.

Mr. KENNEDY. And recommended it himself?

Mr. RISS. I don't know whether he recommended it to them or not.

Mr. KENNEDY. Didn't he tell you that he recommended it?

Mr. RISS. I think he might have said that he was in favor of it.

Mr. KENNEDY. Then you say it was taken up with the 11 members of the Central States?

Mr. RISS. It was taken up with the Central States Committee, and all the people where we had terminals were in Chicago, and it was voted on.

Mr. KENNEDY. Let's find out. Specifically, with whom was it taken up?

Mr. RISS. I don't recall all of them, because I don't know all the boys.

Mr. KENNEDY. What group was it taken up with?

Mr. RISS. Representatives from Kansas City, St. Louis, Denver, Oklahoma, Texas.

Mr. KENNEDY. Do you have any record that it was taken up with them?

Mr. RISS. No record, no.

Mr. KENNEDY. Well, do you know the date it was taken up with them?

Mr. RISS. The latter part of 1956. I don't have the exact date, no.

Mr. KENNEDY. Do you know where they met?

Mr. RISS. I believe in Chicago.

Senator MUNDT. When you talk about an 11-State committee, are you talking about a committee of truckowners, Mr. Riss, or are you talking about a committee of workers?

Mr. RISS. Well, I believe this was the committee of the union operators. They have a committee that operates in 11 States, centrally located, and that is where most of our operation is.

Senator MUNDT. What I am trying to figure out is if this is a committee of employers or a committee of employees.

Mr. RISS. This is a committee of union officials.

Senator MUNDT. Union officials?

Mr. RISS. Yes.

Senator MUNDT. Harold Gibbons would be one of those?

Mr. RISS. Sir?

Senator MUNDT. Would Harold Gibbons be one of those?

Mr. RISS. No, I don't believe so.

Senator MUNDT. These are union heads, then, of the 11 different States?

Mr. RISS. This is the officers in the local unions in the towns in which we operated.

Senator MUNDT. In other words, the committee is a committee of union officials rather than of owners?

Mr. RISS. Rather than of who?

Senator MUNDT. Owners, company owners.

Mr. RISS. Yes.

Mr. KENNEDY. What was the committee, what was the group that this was taken up with? What was it called? With whom was it discussed?

Mr. RISS. Well, as I say, I don't know what they call their inner workings of the unions; I know that all the towns where we had terminals were represented.

Mr. KENNEDY. Under the contract, Mr. Riss, there is no provision; in fact it is specifically provided otherwise. I quote from section 5:

No new riders or supplements to this agreement shall be negotiated by any of the parties hereto.

This is the Central States area over-the-road motor freight agreement, which you had initially, with the International Brotherhood of Teamsters, the Central States Conference.

How were you able to negotiate or change the terms of the contract? That doesn't have anything in here about the cent and a half.

Mr. RISS. Well, it is customary, in changing—anything you want to do. For instance, changing starting times in the terminal, you post it, such as this was posted, and the boys vote on it, and usually the older men—if you want to change the time, we will say, from 8 o'clock in the morning to 6, it is posted on the board with a week's notice and they vote on it and the older men take their choice.

Mr. KENNEDY. The membership never voted on this, Mr. Riss.

Mr. RISS. Yes, they saw it——

Mr. KENNEDY. You say they saw it. The membership never had a meeting at which they voted on changing this contract.

Mr. RISS. I don't know if they did or not. I know there was meetings with the union officials, with the members.

Mr. KENNEDY. With the union officials. Do you have a written agreement whereby you changed this contract to the cent and a half?

Mr. RISS. A written agreement?

Mr. KENNEDY. Yes. Do you have a written agreement?

Mr. RISS. I don't know if there was or not.

Mr. KENNEDY. It is between your company. You are changing the written terms of the contract, and you meet with Mr. Hoffa. You say that he submitted it to this group. We can't find any records that it was ever submitted to any other group. You changed it from the regular terms, the written terms of the contract, and put in this alternate provision about the cent and a half. You must have something in writing about it.

Mr. RISS. I think only the proposal. I recall seeing the proposal on all of our bulletin boards.

Mr. KENNEDY. How can you change a written contract by a verbal agreement?

Mr. RISS. I wouldn't necessarily say it is a verbal agreement, when all the union members, representatives of the employees, voted on it. I wouldn't call that verbal.

Mr. KENNEDY. It is a verbal agreement. Do you have anything in writing on it?

Mr. RISS. Do you mean an agreement? No, I don't have anything in writing.

Mr. KENNEDY. When was this made, this agreement?

Mr. RISS. The latter part of 1956, I believe.

Mr. KENNEDY. How long have you known Mr. Hoffa?

Mr. RISS. Ever since he became prominent in the 11-State area. I don't know what year that was.

Mr. KENNEDY. Have you been out with him socially?

Mr. RISS. No. Well, I have been out with him possibly for lunch, dinner.

Mr. KENNEDY. Do you have a lodge up in Canada?

Mr. RISS. I do.

Mr. KENNEDY. Has he visited that lodge?

Mr. RISS. He has.

Mr. KENNEDY. Whereabouts is that lodge located?

Mr. RISS. Sioux Lookout, Ontario, Canada.

Mr. KENNEDY. Have you made that lodge available to him every year?

Mr. RISS. No.

Mr. KENNEDY. Have you made it available to him?

Mr. RISS. Have I made it available to him?

Mr. KENNEDY. Yes.

Mr. RISS. He has been a guest there, yes.

Mr. KENNEDY. Have you made it available to him so he can go up and visit for a week a year?

Mr. RISS. A week? No.

Mr. KENNEDY. For a period of time?

Mr. RISS. No.

Mr. KENNEDY. You have not?

Mr. RISS. No, sir.

Mr. KENNEDY. When was the last time he was up there?

Mr. RISS. Three or four years ago. I was up there with him.

Mr. KENNEDY. Has he ever been up there by himself?

Mr. RISS. No.

Mr. KENNEDY. He never has?

Mr. RISS. No, sir.

Mr. KENNEDY. You didn't make it available for him for his use?

Mr. RISS. No, sir.

Mr. KENNEDY. You did not?

Mr. RISS. No, sir.

Mr. KENNEDY. How many times has he been up there?

Mr. RISS. I would say once with me. I believe he was up there one time with my son, and I believe one time with Mr. Pick, the vice president of our company.

Mr. KENNEDY. How long was he up there with you?

Mr. RISS. About 3 days, 4 days.

Mr. KENNEDY. Who else went up with him?

Mr. RISS. Some union people from Michigan that had nothing to do with our business.

Mr. KENNEDY. Other Teamster officials?

Mr. RISS. Teamster people. I don't know what locals they had.

Mr. KENNEDY. How many of them came up with him?

Mr. RISS. Seven or eight.

Mr. KENNEDY. How did they get up there?

Mr. RISS. The first time they went up with me, and I believe one time they drove their cars up.

Mr. KENNEDY. Is that in your plane?

Mr. RISS. Yes.

Mr. KENNEDY. Did you attempt, Mr. Riss, to have the terms of the contract changed a number of years ago? There is a provision in the contract which states that over-the-road drivers will take the cargo into a terminal, and then the cartage drivers pick the cargo up and make the deliveries. Did you try to get that changed so that the over-the-road drivers could make the deliveries direct?

Mr. RISS. I did.

Mr. KENNEDY. Did you discuss that with Mr. Hoffa?

Mr. RISS. Yes.

Mr. KENNEDY. Did he agree that he would try to get that through?

Mr. RISS. He said he would get it through if Mr. Beck approved of it.

Mr. KENNEDY. So did you take a trip to see Mr. Beck?

Mr. RISS. I did.

Mr. KENNEDY. And Mr. Beck—What did he state?

Mr. RISS. Mr. Beck said take it up with the locals and if the locals approved of it, it was all right.

Mr. KENNEDY. Where did you go to see Mr. Beck?

Mr. RISS. In Florida.

Mr. KENNEDY. You and Mr. Hoffa?

Mr. RISS. Yes.

Mr. KENNEDY. And then you came back and took it up with the membership?

Mr. RISS. Yes, sometime later.

Mr. KENNEDY. And the membership disapproved?

Mr. RISS. Yes.

Mr. KENNEDY. But Mr. Hoffa was agreeable to it initially?

Mr. RISS. He was if the membership approved it, yes.

Mr. KENNEDY. Did you make a bet with him at that time about whether he should be able to get it through?

Mr. RISS. I did not.

Mr. KENNEDY. Did you discuss the fact that you would bet him \$10,000 to \$5,000 that he couldn't get it through?

Mr. RISS. I made a silly remark to him.

Mr. KENNEDY. What did you say?

Mr. RISS. I said, "I understand you are pretty powerful. I will bet you \$10,000 against \$5,000 you can't sell this to the membership." He laughed at me. He said, "I don't accept bribes. If I can do it for you, I will."

He actually tried and was unable to do it. I tried also.

Mr. KENNEDY. You went into an owner-operator operation in 1958?

Mr. RISS. It was the latter part of 1954.

Mr. KENNEDY. You sold a number of your trucks to the drivers in 1958?

Mr. RISS. In 1958; yes.

Mr. KENNEDY. In 1958; is that correct?

Mr. RISS. Yes.

Mr. KENNEDY. Prior to that, 1954, you had purchased these trucks, had you not?

Mr. RISS. In 1954 I went from owner operators to company operators.

Mr. KENNEDY. Therefore, you purchased a large number of trucks?

Mr. RISS. Yes.

Mr. KENNEDY. Then in 1958 you sold those trucks to the membership? To the drivers?

Mr. RISS. I have sold some of them.

(At this point Senator McClellan entered the hearing room.)

Mr. KENNEDY. How much did these trucks cost you?

Mr. RISS. Well, they cost about between \$12,500 and \$13,000 without tires, f.o.b. Michigan.

Mr. KENNEDY. Then in 1958 you sold these trucks. How much did you sell them for?

Mr. RISS. Well, we have leased them. We haven't sold them.

Mr. KENNEDY. What was the arrangement that you made?

Mr. RISS. We sold them for anything from \$1 up to \$1,000 down, 5 cents a mile for every mile they operated.

Mr. KENNEDY. Was there any limit on the number of miles?

Mr. RISS. No. We had an agreement with the drivers that if they ran them 275,000 miles we would sell them to them for \$100.

Mr. KENNEDY. If they ran them for 275,000 miles, 5 cents a mile, how much would that mean that they were paying for these trucks?

Mr. RISS. \$13,750.

Mr. KENNEDY. And by that period of time they would be approximately 7 years old?

Mr. RISS. By that period of time, those—those trucks were not built by years. Those are million-mile trucks. Those trucks would have been less than half worn out, if that is what you mean.

Mr. KENNEDY. You paid how much? You paid between \$12,500 and \$13,500 for the trucks, and you were selling them to the membership some 4 years later for what was equivalent to at least \$13,500?

Mr. RISS. As a distributor for those trucks, there is 40-percent margin on them. They list for \$19,800.

Mr. KENNEDY. What was the value on your books of those trucks at that time?

Mr. RISS. I don't know.

Mr. KENNEDY. Mr. Nulty, have you made a study of that?

Mr. NULTY. Yes, we have.

Mr. KENNEDY. I don't think Mr. Nulty has been sworn.

Senator MUNDT. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. NULTY. I do.

TESTIMONY OF LEO C. NULTY

Senator MUNDT. You are a regular member of our staff, Mr. Nulty?

Mr. NULTY. Yes, Mr. Chairman.

Mr. KENNEDY. Mr. Nulty, would you tell us what the value of the trucks were on the books of the Riss Co. at the time they entered into these negotiations to sell them to the drivers?

Mr. NULTY. At that time they had been depreciated, according to their books, down to \$1,628.84 per unit.

(At this point Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. What was the arrangement whereby they were selling these trucks?

Mr. NULTY. They entered into a lease with option to purchase agreement with the drivers. The owner-driver was to make a \$1,000 down payment, to pay 5 cents per mile for 275,000 miles, on completion of which he could exercise his option to purchase the truck for an additional \$100.

Mr. KENNEDY. How much would that amount to that the driver was actually paying for the truck?

Mr. NULTY. \$14,850.

Mr. KENNEDY. How much did the trucks show that they cost initially?

Mr. NULTY. \$12,500, give or take a couple or \$3.

Mr. KENNEDY. So in 4 years, say they ran 80,000 miles a year, they would be at least 3 years before they would get control of the truck; is that correct?

Mr. NULTY. Yes. 80,000 miles wouldn't do it in 3 years.

Mr. KENNEDY. So the truck would be at least 7 years old. It was already depreciated down to \$1,600, and these men were going to pay how much for the truck?

Mr. NULTY. \$14,850.

**TESTIMONY OF RICHARD R. RISS, ACCOMPANIED BY COUNSEL,
DONALD S. DAWSON—Resumed**

Mr. KENNEDY. Isn't it correct, Mr. Riss, in order to keep their seniority in the union, to keep their position, that these men had to purchase these trucks?

Mr. RISS. No, Mr. Kennedy.

Mr. KENNEDY. Could a man continue to work for you if he didn't purchase his truck?

Mr. RISS. You see, the men were not working for me. In most cases I had gone piggyback. We were in terrible shape financially from operating the trucks over the road. We put them all against the road. That was their suggestion, to buy the trucks. They wanted to buy the trucks. Mr. Nulty did not tell you all the details of the fact. He did not tell you we furnished new tires, we spent up to \$2,500 each overhauling those trucks, to put them in shape. We repainted them.

Mr. KENNEDY. Were they new tires or recaps?

Mr. RISS. Some of them are recaps; some of them are new, all new recaps. We charged no interest.

Mr. KENNEDY. Did you have any objection from Mr. Hoffa or any union official regarding this arrangement?

Mr. RISS. I don't think they knew anything about it.

Mr. KENNEDY. They knew something about it because it affected every one of their drivers who were members of their union.

Mr. RISS. I don't think it is any of their business where a man gets a truck. They are interested only in what I pay them for driving.

Don't get confused. There are two companies. One owns the equipment and the other is Riss & Co. Riss & Co. doesn't care where a man gets his truck and neither does the union, just so he gets paid union scale.

Mr. KENNEDY. What do you mean, some outfit owns the trucks?

Mr. RISS. T.M. & E. is not Riss & Co.

Mr. KENNEDY. Explain that.

Mr. RISS. T.M. & E. is a company I happen to own control of. Riss & Co. is another company I happen to own control of. One is not owned by the other.

Mr. KENNEDY. You say you are not responsible for the arrangements that T.M. & E. made with these people?

Mr. RISS. I have to admit that I am discussing with myself on one side and myself on the other side. But as far as legally is concerned, Riss & Co. has no bearing on T.M. & E. and T.M. & E. has no bearing on Riss.

Mr. KENNEDY. Wasn't that set up to circumvent the terms of the contract you had with the union?

Mr. RISS. That was set up many years before we had a contract.

Mr. KENNEDY. Doesn't that serve that purpose for you at the present time, to circumvent the terms of the contract, that these drivers would have certain rights if they worked directly for you, but you have the T.M. & E. company now, with the understanding that the lease is from them, and, therefore, you don't have any responsibility as the executive of Riss & Co.?

Mr. RISS. Mr. Kennedy, I am afraid you don't understand the union contract. In the union contract, we have a right to work owner-operators.

Mr. KENNEDY. Correct.

Mr. RISS. That is, as Riss & Co.

(At this point Senator McClellan entered the hearing room.)

Mr. RISS. Riss & Co. went piggyback, which is none of the union's business or anyone else's business.

Mr. KENNEDY. Explain what you mean.

Mr. RISS. Piggyback is where you take the trucks in the city, roll them up on the flat cars and the railroads take them from one city to another. We went 100 percent piggyback in the East, put 100 percent of our trucks against the fence and laid off many men.

Mr. KENNEDY. What does that have to do with the union's interest in connection with the owner-operator?

Mr. RISS. I said we had them in our master contract. The master contract was not changed. If you worked a driver, he gets a certain scale. If you have an owner-operator, he gets a certain scale.

Mr. KENNEDY. Right.

Mr. RISS. Riss & Co. agreed to put some owner-operators back to work. The owner-operators did not have to buy the trucks from T. M. & E. They don't have to buy T. M. & E. trucks at all. In fact, I don't care to sell them to them. We have a dickens of a time collecting from some of them.

Mr. KENNEDY. Isn't it a fact that because of the arduous terms of this contract, very few of the drivers have been able to pay for the trucks?

Mr. RISS. We have approximately 100 who have saved for themselves some \$6,000 or \$7,000 last year.

Mr. KENNEDY. How many of these trucks did you sell?

Mr. RISS. I imagine there has been—this is just a guess—I imagine there have been 150 sold.

Mr. KENNEDY. How many have been foreclosed?

Mr. RISS. Not a matter of foreclosure. It is an agreement to sell at the end of the contract. There have probably been—I can't tell you, maybe 25 or 30 turned back.

Mr. KENNEDY. Haven't there, in fact, been 132 canceled?

Mr. RISS. I don't believe there are that many. I don't know, but I can't believe. There might be some cases where one man took it for a short time and then transferred it to someone else. We give them that privilege.

Mr. KENNEDY. How many, Mr. Nulty, are shown to have been turned back?

Mr. NULTY. We made a review of the records as to just the canceled contracts, and there was a total of 132.

Mr. KENNEDY. Out of how many?

Mr. NULTY. Of 132 that were canceled, that was out of 243 total leases.

Mr. RISS. I didn't get the figures.

Mr. RISS. You say canceled. There is possibly that many leases, but, you see, the T.M. & E., the company that makes the deal with the drivers to lease equipment, if they can't get along with Riss & Co. because of violations of one thing, not keeping their logs properly, which we are supposed to do with the Interstate Commerce Commission, we give them permission to turn their truck over to another driver, and get what they can out of their deposit. In some cases, the boys made a profit on it.

You will find that many transfer, some because of sickness—I recall a couple of cases a driver coming in to tell me that they had to move out of the country because of their wives' health or they had a bad back or some other reason, and they turned those over.

But I am sure there hasn't been 250 trucks sold, and we only have possibly 125 left. I am sure that isn't true.

Mr. KENNEDY. I am just giving you what your records show.

Senator MUNDT. How many repossessions did you make?

Mr. RISS. We don't repossess them, sir. If a man doesn't live up to his contract, if he doesn't pay, if he doesn't work for Riss & Co., for one reason or another, because he doesn't want to or because Riss & Co. won't have them, T.M. & E. takes the truck back.

Mr. KENNEDY. That is what I mean.

Mr. RISS. I can't tell you, but it is nothing like the figure they are talking about.

Mr. KENNEDY. Do we have the figure, Mr. Nulty, on what I would call repossessions occurred, how many trucks were taken by T.M. & E.?

We just know that 132, Mr. Chairman, have been canceled, that they have had to cancel or they have been repossessed for one reason or another, 132 out of 243.

Senator MUNDT. Mr. Riss is trying to make a differential between a repossession and a lease which is sold to another driver. I would like to know how many were repossessed by T.M. & E.

Mr. RISS. There is no such thing as a repossession because there is not a sale.

Senator MUNDT. We won't quibble about the language. How many trucks did you take back?

Mr. RISS. I would say my guess would be 25 to 30. There were many transferred. For instance, we have had cases where a man applies, and we start him to work, and when the personnel department of Riss & Co. runs them down we find that we don't want them for employees, so we tell them to either give—we either give them back their money or tell them to sell it to someone else, to trade their interest to someone else. We have had several cases of that.

Senator MUNDT. But someplace in the record of the company you must know where the truck is.

Mr. RISS. Yes, sir.

Senator MUNDT. You must know. You must have an accounting system, surely, to show how many trucks you have taken back, if you have recaptured them, repossessed them, or taken them back, whatever language you want to use. We are more interested in how many of the trucks you sold or leased and then had to take back and put in your garage or parking lot.

Mr. RISS. I believe there have been six trucks wrecked—I say six, but that is not positive. I don't mean to state that. But there have been around a half dozen trucks wrecked where the boys took another truck. I don't believe there are 20 trucks that were given out at one time that are not working today.

Mr. KENNEDY. The records show that out of 132—well, you go ahead.

Mr. NULTY. Of the 132 contracts that were no longer in operation, 49 were assigned to other drivers and 83 were cancellations.

Mr. RISS. You have them misfigured someplace, because I don't believe it runs that high. It could be, but I don't believe so.

Mr. KENNEDY. That is right from your records.

Mr. RISS. You can misinterpret the records. I don't know about the records, or what records he checked. I am not the bookkeeper.

Mr. KENNEDY. Do you have any other different figures?

Mr. RISS. I have no figures at all. I am going by memory.

Mr. KENNEDY. Mr. Nulty, how much of those figures that you gave, how much did the truckdrivers lose as far as payments that they had made to Riss & Co. and money that was then retained by Riss & Co. and not returned to the drivers?

Mr. NULTY. In the downpayments that were made, and the 5 cents a mile which had accumulated, on those canceled trucks the amount that was retained by the company, by T.M. & E., after these contracts were canceled, has been, since they went into operation on this matter, \$228,703.76.

Mr. KENNEDY. Mr. Riss, isn't it a fact that because of all of the trouble and complaints that you had from the local union members in connection with this operation that you have been conducting, and what they felt was violations of the contract, that you transferred all your membership all over the country into Local 299 of the Teamsters, Mr. Hoffa's own local?

Mr. RISS. You asked me if that isn't a fact. The answer is "No."

Mr. KENNEDY. Did you transfer the membership into local 299?

Mr. RISS. I did.

Mr. KENNEDY. All the membership from around the country?

Mr. RISS. All over-the-road drivers——

Mr. KENNEDY. They all became members of local 299?

Mr. RISS. When I agreed to go back on the road with some of our trucks. We are still going piggyback with a great many of them. But when I agreed, that was one of the provisions, that they be centrally located and handled by one union official.

Mr. KENNEDY. Who was the one union official that you wanted them handled by?

Mr. RISS. I gave them a choice in some central location, either Cleveland or Detroit.

Mr. KENNEDY. How did it end up?

Mr. RISS. They voted on it and it was approved by the 11-State area committee, and I believe that was the committee of both owner-operators and union men. I am not sure about it. I have a copy of their minutes.

Mr. KENNEDY. Was the membership themselves ever consulted as to whether they wanted to belong to 299?

Mr. RISS. It is not necessary. My contract gives me the right to have people based anywhere I want to.

Mr. KENNEDY. So the one union official that finally has control over the operation is Mr. James Hoffa, who is president of local 299?

Mr. RISS. I am sure Mr. Hoffa doesn't know anything about it, has nothing to do with it.

Mr. KENNEDY. You never discussed it with Mr. Hoffa?

Mr. RISS. No.

Mr. KENNEDY. You never discussed this matter at all with him?

Mr. RISS. Not at all.

Mr. KENNEDY. What was the reason that you gave to Mr. Hoffa regarding the fact that you wanted to pay the employees a cent and a half more per mile rather than the fringe benefits?

Mr. RISS. Well, economically, it was the greatest thing for us. We felt that in some cases some of the drivers weren't giving us the proper figures; there were always discussions with our terminal managers, there were undue breakdowns on the road that were affecting our service, and for an economic reason we thought it was best for our company to have a flat fee that was a quarter of 1 percent more than the previous year had cost us.

We have the facts that Mr. Nulty has checked, and in our costs for breakdown time, layover time, all fringe benefits, it was 1.24, but we felt it cost us more than that in bookkeeping and in arguments and delayed service.

Mr. KENNEDY. Did you charge that the drivers were having too many breakdowns?

Mr. RISS. I certainly did.

Mr. KENNEDY. And that they were breaking down when it wasn't necessary for them to?

Mr. RISS. In some cases; yes, sir.

Mr. KENNEDY. You told that to Mr. Hoffa?

Mr. RISS. Yes, sir.

Mr. KENNEDY. And he agreed with your analysis?

Mr. RISS. He disagreed.

Mr. KENNEDY. He agreed to recommend the cent and a half?

Mr. RISS. Well, he recommended the cent and a half with the provisions that every 28 days the boys could turn in a claim if that wasn't enough to pay them what they had coming.

Mr. KENNEDY. Mr. Riss, isn't it correct that at the same time you were making this claim to the union, that the drivers were saying they were broken down when in fact they were not breaking down, that you went to General Motors and said that the trucks that they had sold you were not adequate trucks and that they were breaking down too much? Isn't it a fact that you collected \$1,500,000 from General Motors at the same time?

Mr. RISS. No, sir.

The one deal with General Motors was when the trucks were brand-new. My complaint against them was that they didn't build the trucks according to specifications, that they put electrical transmissions in that broke down continuously, and that was for the latter part of 1954 and the early part of 1955; when I put this deal in with the unions it was in the latter part of 1956 after the trucks had been fixed up by General Motors and ourselves and were in perfect condition as they are today.

Mr. KENNEDY. When did you collect the \$1,500,000 from General Motors?

Mr. RISS. I don't recall what year.

Mr. KENNEDY. Would you say 1955?

Mr. RISS. Well, the records will show it. You have them.

Mr. KENNEDY. Actually, it was January 18, 1957.

Mr. RISS. That was when I collected the money.

Mr. KENNEDY. The notes on the agreements were dated January 18, 1957.

Mr. RISS. That is when I collected the money. But the argument started from the day I bought the trucks.

Mr. KENNEDY. Also, the argument starting with the union. The point I am making is that while you were going to the union and claiming that the drivers were deceiving you by saying the trucks were breaking down and that it was the drivers' fault, and you got the cent and a half deal, which was never put into writing, and which was never approved by the membership, at the same time you went to General Motors and said it was the trucks' fault and collected \$1,500,000 from General Motors, and at the same time you got this deal for yourself which was in violation of the contract with the union.

Mr. RISS. Mr. Kennedy, I appreciate the way you try to turn it around.

Mr. KENNEDY. I have the agreement here.

Mr. RISS. The fact of the matter is that the breakdown time that General Motors paid me for was for the early part of the trucks, along about the middle of 1955. I can't remember the exact time. General Motors put a crew of men in all of our garages to make the necessary repairs. The breakdowns were much more the first few months the trucks ran than they are today even.

After 1956, the trucks had been modified, and many of the things that were causing the breakdowns before—for instance, we had some of the doors drop off on the first trip. They had bands on the gas tanks that broke on the first trip. They weren't heavy enough to hold the weight. General Motors fixed all of those by this time.

Mr. KENNEDY. The cent and a half deal went in, Mr. Riss, in October 1956, which is just 3 months prior to the time this agreement was made. You had to present the figures to Mr. Hoffa for the prior year, which would be 1955, which is the same year you said you were collecting from General Motors.

Mr. RISS. No, Mr. Kennedy; that is not true.

Mr. KENNEDY. That is what your statement is.

Mr. RISS. No; that isn't my statement. That is your statement.

Mr. KENNEDY. Well, you tell us.

Mr. RISS. My statement is that the breakdown time prior to the time this agreement was made with the union was much greater than it was at the time we made it. But we still felt that there was a lot of cheating going on, and we felt that it was causing us a lot of trouble in our offices, a lot of trouble with our terminal managers, discussing with these drivers, and causing much bookwork. So we would rather have a flat deal which was more money in direct payments than we were paying the previous 10 months.

The CHAIRMAN. May I ask a question?

Senator MUNDT. Senator McClellan.

The CHAIRMAN. I didn't get the beginning of your testimony, and I may not have the right connection. When did you buy these trucks originally?

Mr. RISS. In the latter part of 1954.

The CHAIRMAN. In 1954 you bought the trucks. When was it you discovered that they were defective from the manufacturing standpoint?

Mr. RISS. Immediately.

The CHAIRMAN. Immediately?

Mr. RISS. Yes, sir.

The CHAIRMAN. When did you file your claim or start negotiations with General Motors for reimbursement or for adjustment with respect to the trucks?

Mr. RISS. Immediately.

The CHAIRMAN. Was that 1954?

Mr. RISS. I would say 1955, Senator.

The CHAIRMAN. In 1955?

Mr. RISS. Yes, sir.

The CHAIRMAN. When did you reach an agreement with them as to what your settlement would be?

Mr. RISS. I don't know. In the meantime I had gone to Europe and there was quite a little time that elapsed in between. First, they sent some mechanics, in fact, they put a man in our garage to supervise the garage for a year or so, and they had mechanics around all the places trying to modify the things that they had done wrong.

The CHAIRMAN. That was during what period of time?

Mr. RISS. From the very beginning until the time we finally made a settlement. In fact, they had men there after we made the settlement.

The CHAIRMAN. In other words, you continued your negotiations regarding an adjustment, that continued from the time shortly after you got the trucks up until the settlement was made? That is, up until the time the settlement was made?

Mr. RISS. Pretty much so; yes, sir.

The CHAIRMAN. When did you agree on the \$1,500,000?

Mr. RISS. I don't recall, Senator, just exactly what time that was. The records will show when we collected the money.

The CHAIRMAN. It shows that it was paid, I believe, January 18, 1957. I wondered if you had had a previous agreement and some time later it was paid or whether it was paid about the time you reached the agreement.

Mr. RISS. I would say within a short time prior to that.

The CHAIRMAN. So possibly some time in the fall of 1956 you did reach an agreement and you got your pay, then, in January 1957?

Mr. RISS. I believe that is true; yes, sir.

The CHAIRMAN. I would assume after you reached an agreement it was some little time, maybe, before a settlement was finally made. I don't know. Is that correct?

Mr. RISS. Yes; it took some time to draw up the agreements and to adjust things around. I would say possibly a period of 3 months or so.

The CHAIRMAN. What I am trying to observe here is that it seems that it was about October 1 that you succeeded in having your contract modified with respect to the compensation, the basis of compensation, the fringe benefits, of your laborers, your union employees. That was October 1, 1956.

How do you relate the two together?

Mr. RISS. Senator, let me say this—

The CHAIRMAN. You got your pay on January 18, 1957. On October 1, 1956, you had the agreement regarding the 1½-cent deal; is that correct?

Mr. RISS. Senator, let me say this to you: We knew that the modifications had been made on these trucks prior to the time that we went to the unions. We knew that there were claimed breakdowns that they were not having. To prove that point, after the men accepted the cent and a half, our breakdown became 10 percent of what they were prior. When a man no longer was getting \$3 an hour for breaking down, he didn't break down, and we didn't have the breakdowns—

The CHAIRMAN. Wait. Let me see. What percentage of the breakdowns did you attribute to the defect in the construction of the trucks?

Mr. RISS. At the very first, we believed them all to be.

The CHAIRMAN. All right. You believed them all to be.

Mr. RISS. Yes, sir.

The CHAIRMAN. What percentage did you finally resolve in your judgment were attributable to the deception or lack of diligence and faithfulness on the part of the drivers of the trucks?

Mr. RISS. Senator, I don't believe we broke it down percentagewise. We just knew of instances where the drivers were turning in false time. Not all drivers. We had some very good drivers. But a few of them.

And I believe our records would show that 10 months prior to the cent-and-a-half deal with the unions, that it figured forty-six one-hundredths of a cent a mile for all the miles the trucks went. Not all the drivers were getting that, but a few of the boys we felt were turning in false reports.

The union said, "Prove it." We couldn't prove it. You can't put a man out to follow each truck. So I said there was no way of us checking these boys. We don't know.

The CHAIRMAN. Although you couldn't it, the union, or Mr. Hoffa, whoever made the agreement with you, granted that possibly you were correct and thus made a modification of the contract on the basis of that assumption; is that correct?

Mr. RISS. I don't believe that was exactly the feeling in the matter, Senator. I think this—

The CHAIRMAN. You said you couldn't prove it, but you believed it, and you go to the union and get a modification of the contract which was never ratified by the men themselves on the basis that you thought that they were not in good faith performing their duty.

Mr. RISS. No, sir, Senator; that is not exactly the way it works.

The CHAIRMAN. Well, on the basis that they were claiming breakdowns when you didn't believe they happened?

Mr. RISS. Yes, sir; and I complained about it for a long, long time. We said we didn't believe that the boys were breaking down legitimately; we didn't believe they were turning in their proper time for layover time.

But we couldn't prove that on 500 trucks scattered over 26 States or 21 States. It is pretty hard to prove. That is what the union boys would hide behind. They would say, "Show us the proof."

The CHAIRMAN. I can appreciate that you can be imposed upon. I am not saying you were not, in some instances. I can appreciate that maybe with 2,300 employees, 1, 2, or maybe a half dozen of them, some few of them, would be kind of rotten apples. I can appreciate that.

But the point I was making is that originally the trouble was with the trucks themselves, the construction, that was causing the breakdowns. That is what you knew?

Mr. RISS. That is what we thought was 100 percent of it.

The CHAIRMAN. Well, you evidently were able to establish that fact because you secured from General Motors, the manufacturers of the trucks, mechanics, and so forth to try to remedy the condition, and then also you secured an adjustment of \$1,500,000 in a cash settlement.

Mr. RISS. Senator, it is just probably possible that we claimed too many breakdowns from General Motors. In the first place, our original claim with General Motors was for \$1,800,000, which was not for breakdowns.

A portion of it was, a small portion. There was over \$600,000 on fuel costs. They said the truck would get 5 miles or better to the gallon. It goes 4½ miles to the gallon. A half cent a mile on fuel on a 5-mile truck is 10 percent. I believe if my memory serves me correctly, that their difference in fuel costs was about \$600,000, that the motors were perfect. We spent less than twenty-three one-hundredths of a cent per mile for the first 60 million miles those trucks ran. But the transmissions cost about three-fourths of a cent per mile for maintenance and it shouldn't have cost anything, and General Motors fixed all those things. They took care of them and then made the settlement for the expense we had been out prior to the time they fixed them.

The CHAIRMAN. I am not saying you were not entitled to every penny of it; I don't know. That isn't the question. Primarily, what needs clarification here is that you were processing a claim against General Motors which involved breakdowns of the trucks because of

defects in their construction, or some defect in the mechanics of it, and at the same time, apparently, you were making complaint to the union that you were also being imposed on by drivers misrepresenting their breakdowns and other problems. You got an adjustment from the General Motors in the amount of \$1,500,000, and along about the same time you got also an adjustment in the union contract whereas you went on the 1½-cent deal rather than the specific fringes that the contract provided.

Is that corerectly stated?

Mr. KENNEDY. And that agreement was never put into writing; it was never approved by the union members themselves.

The CHAIRMAN. That is what I was getting at, the fact that the adjustment was made, whether it was put in writing or not.

Mr. RISS. Senator, General Motors paid me the first of 1957.

The CHAIRMAN. January 18.

Mr. RISS. Of 1957. That was for claims that I made from 1954 to the latter part, we will say, of 1955. We knew that the big end of the trouble with the trucks was fixed by General Motors by, we will say, the end of 1955. But we still continued to have breakdowns which we did not believe to be proper breakdowns. I then started talking to the unions about we thought we were being beaten by some of the drivers, not all of the drivers; as I said before, we have some very fine drivers.

But we had enough of them there that ran our cost up to where we didn't feel we could operate. And not only the out-of-pocket money to pay these claims, but the cost of keeping the records, the time taken by our terminal managers, who had other duties, settling these things with the drivers.

I was about to go piggyback, and that is something that Mr. Hoffa or anyone else couldn't do a thing about. I said, "I am going to go piggyback, because I cannot make these trucks pay." That is when the agreement was made. I think Mr. Hoffa, or whoever you give credit for making it, made a tremendously good deal for the boys, because in no case could they get less than what they were entitled to, and if at the end of any 28 days the cent and a half didn't equal what they claimed they were entitled to, they submitted claims.

In a few cases there were claims submitted which we paid. There were a few claims submitted that we did not pay. I want to say to you that our breakdown time has been even to this day—Mr. Kennedy says the trucks are 6 or 7 years old—there are less breakdowns now than there were the first week I bought them.

The CHAIRMAN. May I ask you how long was your union contract supposed to run? Was it a 6-year contract?

Mr. RISS. I don't know, Senator. I don't believe it went that long a time.

Mr. KENNEDY. Yes.

The CHAIRMAN. What was the date of the contract under which you were operating with the union at the time that this modification was made in October 1956? In other words, if you had a contract with the union, when was the last contract, the date of it? How long had it been in effect?

Mr. RISS. Senator, I don't think you understand about union contracts. We don't as individuals make a contract. There is a committee picked of owners, and they have officials of the unions. They

get together and make a contract that affects all operators in the 11-State area.

The CHAIRMAN. I understand that.

Mr. RISS. What date it was, how long it had to run, what the benefits of it were, I do not know.

The CHAIRMAN. I understand from the staff here that your last contract was February 1955 with the union.

Mr. KENNEDY. For a 6-year period.

The CHAIRMAN. For a 6-year period. Is that correct?

Mr. RISS. I don't have any idea.

The CHAIRMAN. It is not a big point, but I was just trying to find out something. A little more than a year later, you say having said this contract was made and applies to a number of transportation companies along with the union—it is sort of a master contract?

Mr. RISS. That is right.

The CHAIRMAN. Where they go together, your people, the trucking associations, go together and have their representatives negotiate what you might term a master contract with the union. That is correct, is it not?

Mr. RISS. Yes, sir.

The CHAIRMAN. And your contract under which you were operating in October 1956, your written contract with the union, or that master contract, had run from February 1955.

Is that correct?

Mr. RISS. Senator, I imagine what the records show is correct. I just don't know. It is the first time I heard that we had a 6-year contract. I didn't know they ran that long, but possibly it is so.

The CHAIRMAN. What I am trying to find out is this: Is it a general practice, particularly in the Teamsters Union—I am not sure, but I wonder if this committee might take it into practices and activities that might be regarded as improper—is it a general practice in the Teamsters Union, and has that been your experience, as evidenced at least in part by the particular incident, that where you have a master contract with the union, then the individual owners or operators, the corporations or the management side of it, can go to Mr. Hoffa and get an oral contract that would obviate the written terms or the terms of the written contract?

I am just trying to find out. Ordinarily, a written contract is modified in writing. If a written contract is to be approved by the union members, then a modification of it should probably be approved by the union members.

What I am ascertaining here is: Is this a practice? Apparently you did it. Is it a practice where the employers can, after they get their master contract, go to Mr. Hoffa or someone else and make a verbal contract that would nullify the terms of the written contract which was approved by the members and not have the new modification of it approved by the union members?

Is that a practice now, and has that been your experience?

Mr. RISS. Mr. Senator, the only time that I ever tried to modify the master contract was the first time, as I told you, when I wanted to put on a two-man team. There would be more men employed. It would give us faster service to have the truckdrivers deliver the loads, instead of having to come into a town, wait until the city man would deliver the load.

A lot of your city contracts call for if you hire a man on Monday, you have to hire him all week. So I suggested that to Mr. Hoffa. He said, "I have no power to do that. We will take it up to Mr. Beck." We went down and talked to Mr. Beck. Evidently it must be in their bylaws, because Mr. Beck said, "If it is approved by all the locals concerned, it is all right with me."

The CHAIRMAN. Was this ever approved by all the locals concerned?

Mr. RISS. No, sir. We tried to get it approved and they turned us down.

The CHAIRMAN. Then who did approve it?

Mr. RISS. It was not approved.

The CHAIRMAN. It has never been approved?

Mr. RISS. No, sir.

The CHAIRMAN. Then who acquiesced in it?

Senator MUNDT. You are talking about two different contracts, Senator.

Mr. RISS. You see, it never went into effect.

Mr. KENNEDY. In answer to Senator McClellan's question on this change in the contract—

Mr. RISS. In the change of this contract, this was posted on our board and to the best of my memory, and I am very sure, I have seen signatures of drivers. I know the drivers came in and agreed to accepting a cent and a half a mile, with the provision that every 25 days they would turn in a claim and if the claim was justified, that we would pay it.

The CHAIRMAN. We have had some other testimony here from other companies where this was done. Some of the union people have been in here and testified that they didn't accept it, they didn't want to accept it, and that it has been forced on them. They had a meeting, as I recall in one instance, where they opposed it but did finally agree to try it out for 3 months' time, at which time there was to be another meeting called to give them an opportunity then to disapprove or approve. No such meeting was called, and they never had an opportunity to approve or disapprove, although they petitioned for a meeting and petitioned for an opportunity. Nothing was ever done about it.

This committee is trying to look into practices that may be improper. The question here is this: You go in and make a master contract affecting an association of employers. That contract is in writing. That contract is approved by the members. Then the individual employer goes to some authority or some officer in the labor union, and they modify that contract that was approved by the union members, modify it by a verbal agreement.

The modification may be good or bad. You may argue that, of course, it was good from your standpoint or you wouldn't have wanted it modified, but what is or may be good for the company or for management may not necessarily be good, and sometimes isn't, of course, good for the members.

The practice here, apparently, is to get a written contract, and then the individual owners or operators or management can go to Mr. Hoffa or someone else and get that contract modified to their advantage without the union members approving it. That is the picture that has been before us.

I would be glad to have any comment you would care to make about it.

Mr. RISS. Senator, that was not the case in the case of Riss & Co. In the case of Riss & Co., I alleged that I thought many of the claims being turned in for fringe benefits, such as layover and breakdown time, especially, were falsified; not all of them, some of them. A good part of them.

It was costing us a lot of money for our local people who had to deal with these drivers, a lot of bookkeeping, a lot of checking and so forth, and we felt that there was a few of the so-called crooks in the company that were getting the money and not the average driver.

So we made a record of what we had paid out and we paid out a certain amount for breakdown time, a certain amount for layover time, and so forth. We agreed, and it was put up on every one of our deals, and I believe that every local concerned agreed with it, excepting one, Chicago, and they had no drivers to start with, so they weren't concerned, but every one of the locals were so notified and so agreed to our terms.

In those days we did not have all the men in one terminal, so we had claims filed from Denver which were paid, we had claims filed from Louisville, I believe, which were paid. We might have had claims filed from Texas. We did not work out of one local in those times, in those days.

We had claims that were paid, even though we paid the cent and a half, and we had claims that were rejected. If the claim were rejected, it would be filed by the local union, and it would be decided, in Chicago, finally, by a team of owner-operators—not owner-operators, but owners of truck companies and union officials, and however they ruled was what you had to do.

The CHAIRMAN. You may proceed, Mr. Counsel. I just was trying to get this picture before us.

I may say to you that we have had other proof here before the committee that during the time that they had these fringe benefits, where the members were entitled to file grievances, or what I would call a claim for certain amounts that would be due them, that those claims would be held up and not paid until finally they could get an agreement out of the driver or union member that he would settle for 40 percent of the claims. They would pay 50 percent, and 10 percent of it would go to Mr. Hoffa and 40 percent to the claimant, where they were able to settle.

Do you have any knowledge of any practice like that?

Mr. RISS. I have not. And I want to tell you that it has never happened in my company. I wish we could settle claims that way. We have never been able to settle claims on that basis.

The CHAIRMAN. We did have some proof along that line. They, too, went into one of these cent-and-a-half deals. I am just asking you, now, because the record has that implication in it; not necessarily you, but since you did go into that kind of a deal, I wanted to give you a chance to answer the question.

Mr. RISS. I want to assure you we haven't settled any claims on that basis. We haven't been that fortunate.

Mr. KENNEDY. We are going into that, Mr. Riss. We will have some testimony this afternoon.

Just a quick question: First, when you made all these statements to Mr. Hoffa about the fact that the Teamsters members were dishonest and filing these false reports, what was Mr. Hoffa's reaction to these statements?

Mr. RISS. Well, at one time he called me a liar.

Mr. KENNEDY. But afterward he agreed to go along?

Mr. RISS. No; he did not. He said, "You prove it." That is one of the main things they all tell you.

Mr. KENNEDY. You couldn't prove it?

Mr. RISS. We could, if we wanted to spend enough money to have a man follow each truck.

Mr. KENNEDY. But after that he went along even though you couldn't prove it?

Mr. RISS. He went along.

Mr. KENNEDY. He went along with this.

Mr. RISS. He went along with a deal that guaranteed his men at least net and in many cases they would get more. The fact of the matter is, a poll of our drivers now would tell you that they didn't want to change back.

Mr. KENNEDY. You said that General Motors had fixed the trucks by the end of 1955; is that correct?

Mr. RISS. Well, I would say mostly; yes.

Mr. KENNEDY. Then you sold these same trucks to the drivers. When did that start—1958?

Mr. RISS. Two years later.

Mr. KENNEDY. Would you identify this letter?

Senator MUNDT. The Chair has a letter addressed to Mr. Phil Monaghan, dated October 14, 1956, apparently signed by R. R. Riss.

Will you show this to the witness and see if he can identify it?

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. RISS. Yes, sir.

Senator MUNDT. Is that a copy of the letter filed with your company?

Mr. RISS. Yes, sir.

Senator MUNDT. That will be made exhibit No. 76.

(Letter referred to was marked "Exhibit No. 76" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. I want to point out that the date of this letter is October 14, 1956. It is signed by R. R. Riss. It is to Mr. Phil Monaghan, general manager, General Motors Co. Coach Division, and the statement is made in the third paragraph:

You are perfectly right in stating that these trucks are only worth \$3,500. I do not think that they are worth that. But the fact still remains that you sold them for \$12,800 each with certain specifications which you did not deliver.

Mr. RISS. All I can say to you is that it was my business to settle with General Motors on the basis that was best suited for my company. He made a ridiculous offer to me. If you read the first paragraph, I said it was very ridiculous.

Mr. KENNEDY. I am not talking about whether you were justified. I am talking about the fact that these trucks, these same trucks that you stated were reconditioned by the end of 1955, according to your own testimony, in October 1956, were worth only \$3,500 at the most.

You then sold them to these same union members for some \$13,000 or \$14,000, 2 years later; and when the union members tried to bring grievances in connection with this, all of the union membership all over the United States were transferred into local 299 even though they had to work in their regular depots.

I say that it is all because of your friendship with Mr. James Hoffa that this has been possible, and nothing else.

Mr. RISS. Is that what you say, Mr. Kennedy?

Mr. KENNEDY. Yes. I will read the article in the contract which specifically provides for this, and where the union membership needs to be protected.

The employer shall not require as a condition of continued employment that an employee purchase truck, tractor, or tractor and trailer, or other vehicle equipment.

The fact that it was done through an intermediate third party which you wholly own shows that you were attempting to avoid the terms of the contract. It specifically states in the contract also that it cannot be handled through a third party.

Mr. RISS. Mr. Kennedy, I want to state to you that I am very sorry that I put No. 1 truck back on the road, and if I thought we are going to have any more of this grief, I would take them off tomorrow. I did not want to put the truckdrivers back to work. I wanted to stay on piggyback. The fact of the matter is I am very, very sure we will go back to 100 percent piggyback. The drivers wanted this deal. I did not want it. We are having a dickens of a time collecting it.

If there are many boys that are off the deal, it is because they didn't take care of the equipment; they didn't do the things that were necessary. The boys who are making a go of it—we have some that have gotten almost 200,000 miles on their trucks, and they are very happy with the deal.

Mr. KENNEDY. The fact is you were selling them trucks that you say in 1956 are not worth \$3,500. You are selling them to the truckdrivers for \$14,000 and these people have no protection from the union.

Mr. RISS. Mr. Kennedy, I was negotiating with General Motors. I was mad at General Motors at that time for selling me something not built according to specifications. They, in the meantime, gave me a million and a half dollars; we fixed up the trucks; we put tires on them; we overhauled the trucks.

Then we sold them to drivers, just because they had been ex-drivers of ours, as low as nothing down; some of them \$1,000 and some of them nothing. We had to quit selling them for nothing down because a man that feels he has no equity wouldn't take care of it. They are sold on a mileage basis. There is no interest. They don't pay any payments unless they have work.

In the olden days, when we had trucks, some of the things that used to worry the drivers was that they had \$400 or \$500 a month payments on trucks that they bought from other people. We took care of all of that. We don't feel too proud about the deal; we are not too happy about it.

If you say there have been so many trucks sent back, I will take a liberal discount and you fix them up.

Mr. KENNEDY. You talk about your truckdrivers, we are going to have some people from your company in, Mr. Riss, so you might stay

around and see what your people think of this, and the fact they couldn't get any protection.

Mr. RISS. Are you going to have some men around who have been fired, or are you going to have the regular operators?

Mr. KENNEDY. You come back in. We will put the witnesses on.

Mr. RISS. All right, sir.

Mr. KENNEDY. That is all.

(At this point Senator McClellan withdrew from the hearing room.)

Senator MUNDT. Did you say, Mr. Riss, that the men favored this 11½-percent contract or deviation?

I think you said someplace along the line that if a poll were taken your men would favor the deviation.

Mr. RISS. To the best of my recollection, I wasn't there when it was voted on. I know that people went around to all our different locations, and to the best of my memory, everyone approved of it but Chicago.

Senator MUNDT. No, I am talking about as of now. I thought I heard you say as of now the men having had experience with this favored it, and that a poll would say they refused to go back.

Mr. RISS. I would say this, that I believe in the 3 years we have had it in effect, we haven't had 25 claims filed. I believe if you took a vote on all of our boys, we would tell you, the legitimate boys, that they haven't earned a cent and a half in legitimate claims. The boys who were making a practice of putting in false claims would be the ones who would tell you that they didn't want it. But take all of our boys and take a vote and, yes, it will carry with a big majority.

Senator MUNDT. Your testimony is that in this period of time you have only 25 claims filed on this 28-day period?

Mr. RISS. I believe that is a fair figure. I can't tell you exactly.

Senator MUNDT. Roughly it is accurate?

Mr. RISS. Yes.

Senator MUNDT. How many of those were allowed?

Mr. RISS. How many were what?

Senator MUNDT. Were allowed.

Mr. RISS. I can't tell you, sir. I don't know how many we rejected and how many we paid.

Senator MUNDT. Some were allowed?

Mr. RISS. Yes.

Senator MUNDT. What is your testimony as to the reaction of the truckdrivers in this sale of trucks that you made, when they had the option to buy a truck or see you continue to go piggyback? You talked about it from the standpoint of the company. Will you translate, as best you can, in terms that you want to use, the reaction of the purchasers?

Mr. RISS. I would say this: They can quit it any time they want to. They initiated it. We accepted the offer.

Senator MUNDT. If they quit, they lose their 5 cents a mile, don't they?

Mr. RISS. That is just a rent. Senator, do you realize we are renting them trucks for 5 cents a mile, and if you went into any people that make a business—take, for instance, the Ryder Co.—they charge \$50 a week plus 12 cents a mile, and the renter pays for the fuel.

The only thing that they do furnish that we don't is repairs, which would be 2 cents a mile.

Nowhere in the country could they lease a truck. So if they walked off tomorrow and got their original \$1,000 back, there is no place in the country that they could lease a truck for that price.

Senator MUNDT. What income do they get in addition to their truck-driver's salary on the basis of the fact that they pay you this 5 cents a mile?

Mr. RISS. They get around 14 cents a mile for the use of the truck.

Senator MUNDT. In other words, they don't work on a salary at all?

Mr. RISS. Yes. They get 23 cents a mile for themselves and the truck.

Senator MUNDT. 23 cents a mile?

Mr. RISS. Yes, sir.

Senator MUNDT. What is their average monthly income? Have you books on the income of these fellows?

Mr. RISS. We have records of some of the drivers. How many miles they have gone?

Senator MUNDT. No; their monthly income. I am trying to find out whether or not after paying 5 cents a mile for these trucks—whether they are earning more for themselves than they would if they were working for you and you owned the trucks, or whether they are earning less; and, if earning less, how much less.

Mr. RISS. Here is a man by the name of Virgil Brennan. He has driven 194,000 miles. He has paid in \$8,716. He has in reserve over \$1,000.

On top of the 5 cents a mile they have, they agree to allow 1 cent a mile to be held for major overhauls, so that they have some money.

Senator MUNDT. Wait a minute. I want to break this down in monthly income for the driver.

Mr. RISS. Let me say this: I think most of our two-man operating teams are getting better—I would say they are averaging 11,000 to 12,000 miles a month. And 10,000 miles a month at 23 cents is \$2,300 a month.

Senator MUNDT. \$2,300 a month for two men. That is \$1,150 per month per man. Is that the way it works?

Mr. RISS. No, sir. One man only gets driver's wages, which is about \$585, I don't recall exactly, and the owner of the truck gets the balance, so much driver's wages and they are paid on separate checks. They are paid exactly according to the contract.

Then on top of that—

Senator MUNDT. Wait a minute. You are telling me that the man who owns the truck who pays 5 cents a mile and loses it if he doesn't go through with his deal, that he gets back for himself \$2,300 a month?

Mr. RISS. Senator, let me say this to you: Forget T.M. & E. in this picture right now.

Senator MUNDT. I am talking about the man.

Mr. RISS. Let's talk about Riss & Co. and the master contract.

Senator MUNDT. I want to talk about the driver. I want to find out if he has a better deal or a worse deal because he pays 5 cents a mile.

Mr. RISS. No, sir. The contract merely states this, that we can hire owner-operators. That is our privilege. It states in the contract that an owner-operator will get something like 19 cents a mile, single man, so much of that salary, we will call it 9 cents, and 10 cents for his truck. He must make his payments out of that 10 cents, he must buy his gas and oil and tires, and so forth.

Regardless of where they got the truck T.M. & E.—don't get the two confused—T.M. & E. says, "I will lease you a truck for 5 cents a mile and give it to you for \$100 after a certain length of time."

They may buy a truck from International Harvester Co. We are paying a cent and a half a mile more than the union contract calls for us to pay; that is, Riss & Co. is doing that. T.M. & E., they are paying T.M. & E. 5 cents a mile rental which, we will say, I would say, a cent and a half of that is depreciation. Their truck is worth a cent and a half every mile they go after that. So they are actually saving 3½ cents a mile out of the 5 cents they pay in rental.

Senator MUNDT. Is there such a business in this country where, if I want to be a truckdriver, I can go and lease a truck?

Mr. RISS. Yes, sir.

Senator MUNDT. How much a mile would I have to pay for that?

Mr. RISS. If you go to the Ryder people, they would charge you \$50 a week guarantee, plus 12 cents a mile, and you furnish gas and oil. They do repair it. The only thing they do that T.M. & E. doesn't do is we say, "Here is the truck, you keep it up," and Ryder repairs it themselves. They know their repairs cost 2 cents a mile, if a man takes care of his equipment. He can run it without oil and break it out in the first trip, if he wants to. It is the difference between use and abuse.

Senator MUNDT. So in summary, your testimony is that the men who buy or lease the trucks from T.M. & E. have a better deal individually, than, one, if they leased a truck from a commercial truck lessor; or, two, if they were just working for you and you owned the truck and you were paying them a salary; is that right?

Mr. RISS. Senator, it is my opinion that if I were going to be a truckdriver I would rather accept a deal where I am buying my own truck than I would be working for me and getting a salary; yes, that is true.

Senator MUNDT. I mean on the terms and with the condition of the truck and the prices involved, and all of this testimony, your testimony is these men working for you, buying these trucks on this basis, at this price, have a better deal than if they were leasing it from a private company making a business of leasing trucks, or if they were working for you as an employee getting a salary?

Mr. RISS. Well, in my opinion, Senator, let me say this to you: Please believe——

Senator MUNDT. Is it a better deal or not as good a deal?

Mr. RISS. Sir?

Senator MUNDT. I want to find out from you whether in your opinion these men have a better deal under that situation than a poorer deal.

Mr. RISS. They have a much better deal, for this reason: Don't you see that our base contract says if we hire an owner-operator we must pay him X number of cents for driving and X number of cents for

his trucks. The contract does not say or care where the man gets the truck. There is no one else in the country but T.M. & E. that would lease a man a truck for as low as 5 cents a mile, and in many cases nothing down. You can check with all the truck rental people you want to, and you will find that a truck not even as big as these, the cheapest rent they have is \$50 a week plus 12 cents a mile. Twelve cents a mile on 2,500 miles is a difference——

Senator MUNDT. So you are on all four square now, except the other company makes the repairs, and when they lease from you they have to repair the truck themselves?

Mr. RISS. That is right, and the other company says, "You pay us so much a week regardless," and we say, "If you haven't pulled for Riss & Co. you don't pay T.M. & E."

Senator MUNDT. The committee will stand in recess until 2 o'clock.

(Whereupon, at 12:55 p.m., the committee recessed, to reconvene at 2 p.m., the same day. Members of the committee present at the taking of the recess: Senators Mundt and Capehart.)

AFTERNOON SESSION

The select committee reconvened at 2 p.m., Senator John L. McClellan (chairman of the select committee) presiding.

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at time of reconvening: Senators McClellan and Ervin.)

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. William Dannevik, Mr. Chairman.

The CHAIRMAN. Come forward, sir, please. Be sworn.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. DANNEVIK. I do.

TESTIMONY OF WILLIAM C. DANNEVIK, JR.

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. DANNEVIK. William C. Dannevik, Jr., residing at 1423 South King, Springfield, Mo.; general counsel for a motor carrier.

The CHAIRMAN. General counsel for——

Mr. DANNEVIK. A motor carrier.

The CHAIRMAN. A motor carrier?

Mr. DANNEVIK. Yes, sir.

The CHAIRMAN. Will you name it, please, sir?

Mr. DANNEVIK. Campbell's 66 Express, Inc.

The CHAIRMAN. Thank you very much. I assume you waive counsel, then, if you are a counsel yourself?

Mr. DANNEVIK. Yes, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. How long have you been with this particular carrier?

Mr. DANNEVIK. Since July 1, 1958.

Mr. KENNEDY. That is D-a-n-n-e-v-i-k; is that right?

Mr. DANNEVIK. Yes, sir.

Mr. KENNEDY. And you were with the Riss Trucking Co. prior to that?

Mr. DANNEVIK. Yes, sir. I was with Riss & Co. from 1947 until February 1958.

Mr. KENNEDY. What were you doing prior to that?

Mr. DANNEVIK. Prior to that I was assistant prosecutor in Jackson County, Mo., for about a year, and prior to that I was special agent for the FBI.

Mr. KENNEDY. For how long?

Mr. DANNEVIK. For about 7 years.

Mr. KENNEDY. Mr. Dannevik, by whom were the arrangements made with the Riss Co.—you were with the Riss Co. at the time the arrangements were made for the cent and a half in lieu of fringe benefits. By whom were those arrangements made?

Mr. DANNEVIK. Those arrangements were made by Mr. R. R. Riss, the president.

Mr. KENNEDY. With whom did you understand the arrangements were made?

Mr. DANNEVIK. With Mr. Hoffa and the Central States Drivers Council.

Mr. KENNEDY. Have Mr. Riss and Mr. Hoffa been friends for a long period of time?

Mr. DANNEVIK. Yes; ever since I have known Mr. Riss he was a friend of Mr. Hoffa.

Mr. KENNEDY. Did you understand that Mr. Riss made his camp available for Mr. Hoffa?

Mr. DANNEVIK. Yes. The Canadian lodge was made available to him for a period of time each summer.

Mr. KENNEDY. Each summer?

Mr. DANNEVIK. Yes, sir.

The CHAIRMAN. How many summers?

Mr. DANNEVIK. I don't recall when the lodge was completed, but I believe it was in 1952 or 1953.

The CHAIRMAN. It has been going on the past 5 or 6 years?

Mr. DANNEVIK. That is right.

Mr. KENNEDY. Was it made available for a week each summer? Is that correct?

Mr. DANNEVIK. Yes.

Mr. KENNEDY. And Mr. Hoffa would go up there either with Mr. Riss or he would go up—well, the lodge would be made available to him, is that right, and he sometimes would bring other Teamster officials with him?

Mr. DANNEVIK. Yes; that is my understanding.

Mr. KENNEDY. Did you understand the airplane of the Riss Co. was made available to fly him up there also?

Mr. DANNEVIK. I am not sure. I believe that on one occasion it was. On other occasions, I believe that they provided their own transportation.

Mr. KENNEDY. There was a considerable dissatisfaction, was there not, Mr. Dannevik, at the time it was decided that the employees who were working for the Riss Co., in order to keep their employment and keep their seniority, would have to purchase the trucks?

Mr. DANNEVIK. That arrangement happened just prior to my resignation in February of 1958. I did draft, I believe, the first lease-option-to-buy lease that was used. However, I understand that since then certain modifications and changes were made in it.

Mr. KENNEDY. And changes in the terms?

Mr. DANNEVIK. Correct.

Mr. KENNEDY. Did you understand that there was some dissatisfaction among the drivers in connection with that?

Mr. DANNEVIK. I had heard complaints from the drivers; yes.

Mr. KENNEDY. In order to keep your employment and keep your seniority, the drivers at that time would have to make these purchases, would they not, as a practical matter, or were you there during that?

Mr. DANNEVIK. No; as I understand it, there wouldn't be any other vehicles used other than those that were operating under this lease-option-to-buy arrangement.

Mr. KENNEDY. So that, therefore, the drivers that were working for the company would have to make these purchases?

Mr. DANNEVIK. If they expected to drive; yes.

Mr. KENNEDY. At about that period of time, these drivers were transferred up to local 299, is that correct, their membership?

Mr. DANNEVIK. That occurred, I believe, subsequent to my association with the company in February.

Mr. KENNEDY. Even though they would be living, for instance, in Kansas City or other sections of this country, through this arrangement they were all made members of local 299 of the Teamsters?

Mr. DANNEVIK. As I say, I wasn't involved in that, but I believe that it was treated as a redomicile of the operators from wherever they were operating previously to Detroit.

Mr. KENNEDY. Mr. Dannevik, could you tell the committee why, as you understand, that was done?

Mr. DANNEVIK. I believe it was done for the purpose of only dealing then with one local union, whereas, you would have a multiple number of local unions it would be necessary to deal with.

Mr. KENNEDY. Would that also be because of the fact that there were expected to be complaints in connection with some of the arrangements that had been made and, therefore, it was necessary, or felt advisable, to have it all handled through Mr. Hoffa's local?

Mr. DANNEVIK. Well, all of the grievances or any other question raised about the arrangement would then be processed through local 299 at the local union level, and I assume that if there was any further proceedings before joint grievance committees composed of union and employers, that it would be handled from local 299.

Mr. KENNEDY. Of course, this created a considerable problem for the drivers, did it not, who had to live or who did live in Kansas City if they wanted to process a grievance? They had no local representative. They would have to go all the way to Detroit to do it?

Mr. DANNEVIK. That is correct.

Mr. KENNEDY. Have you ever heard of anything like that being done in the trucking business?

Mr. DANNEVIK. No. However, it was a common occurrence for companies to decide that they should redomicile operators from one station to another, depending upon the business at the time. How-

ever, confining the domicile to one station, to my knowledge, had never been done before.

Mr. KENNEDY. And, of course, these drivers did not move, actually. These people still remained in their locations and yet were made members of a local maybe 1,000 miles away.

Mr. DANNEVIK. Under this arrangement that would be true; yes, sir.

Mr. KENNEDY. Would you indicate from your connections and knowledge of Mr. Riss, and having worked for the company, that he and Mr. Hoffa were close personal friends during this period of time.

Mr. DANNEVIK. I don't know how close it was. They were friends, and, I believe, had a very high regard for each other.

Mr. KENNEDY. They should.

That is all, Mr. Chairman.

The CHAIRMAN. Is there anything further?

Have you anything, Senator?

Senator ERVIN. No, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Call the next witness.

Mr. KENNEDY. Thank you very much, Mr. Dannevik.

Mr. Branum and Mr. Anderson.

The CHAIRMAN. Do you and each of you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BRANUM. I do.

Mr. ANDERSON. I do.

TESTIMONY OF ROY BRANUM AND ARDITH L. ANDERSON

The CHAIRMAN. The witness on my left, will you give your name, your place of residence, and your business or occupation please, sir.

Mr. BRANUM. I am Roy Branum, Long Jack, Mo. I am now on sick leave from Riss & Co.

The CHAIRMAN. I beg your pardon?

Mr. BRANUM. I am now on sick leave from Riss & Co.

The CHAIRMAN. You are an employee of that company?

Mr. BRANUM. Yes, sir.

The CHAIRMAN. How long have you been an employee?

Mr. BRANUM. On and off for about 15 years.

The CHAIRMAN. How long have you been on sick leave?

Mr. BRANUM. Since the 26th day of January.

The CHAIRMAN. You, on my right, will you state your name and your place of residence and your business?

Mr. ANDERSON. Ardith L. Anderson. I live at 3028 South 46th Terrace, Kansas City, Kans.

The CHAIRMAN. By whom are you employed?

Mr. ANDERSON. Southwest Freight Lines. I am a truckdriver.

The CHAIRMAN. Southwest Freight Lines. How long have you been in its employ?

Mr. ANDERSON. About 4 months.

The CHAIRMAN. What was your previous employment?

Mr. ANDERSON. By Riss & Co.

The CHAIRMAN. Riss & Co.? For the same company that the other witness worked for?

Mr. ANDERSON. Yes.

The CHAIRMAN. How long did you work for Riss?

Mr. ANDERSON. Since March of 1955.

The CHAIRMAN. Some 3 or 4 years?

Mr. ANDERSON. Yes.

The CHAIRMAN. Do you gentlemen waive counsel? Do you want a lawyer to represent you?

Mr. BRANUM. No, sir.

Mr. ANDERSON. No, sir.

The CHAIRMAN. You both waive counsel.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Anderson, you were domiciled in several different cities by the Riss Co., Kansas City, St. Louis, and Indianapolis, and then in 1957 back to Kansas City; is that right?

Mr. ANDERSON. That is right.

Mr. KENNEDY. In each instance, you transferred your union membership to the local where you were actually living?

Mr. ANDERSON. Yes.

Mr. KENNEDY. In Indianapolis in 1956, the drivers were informed by Riss & Co. that starting on October 1, 1956, they would start paying a flat cent and a half in lieu of the fringe benefits?

Mr. ANDERSON. That is right.

Mr. KENNEDY. Was it ever put to the membership as to whether they approved of that?

Mr. ANDERSON. No. No one ever asked us if we approved of it or not; it was just done.

Mr. KENNEDY. You were just notified that it had been agreed to?

Mr. ANDERSON. Yes.

Mr. KENNEDY. You never were given the proposition and have a right to vote on it?

Mr. ANDERSON. No.

Mr. KENNEDY. Were most of the membership against it?

Mr. ANDERSON. Well, they didn't like it because we would rather they just pay according to the contract that we had.

Mr. KENNEDY. Did you know if anything was ever put in writing in connection with this agreement about the cent and a half?

Mr. ANDERSON. I have never seen anything.

Mr. KENNEDY. In early 1958 while you were domiciled in Kansas City and a member of local 41, were you informed that Riss was changing its policy from company-owned tractors to owner-operated tractors?

Mr. ANDERSON. Yes.

Mr. KENNEDY. And that you would be given an opportunity to purchase the tractor?

Mr. ANDERSON. Yes.

Mr. KENNEDY. And that you would be given an opportunity to purchase the tractor?

Mr. ANDERSON. Yes.

Mr. KENNEDY. Now the tractor that you purchased from the company had a rebuilt motor and recapped tires; is that right?

Mr. ANDERSON. That is right.

Mr. KENNEDY. And had been originally purchased by Riss & Co. back in 1954?

Mr. ANDERSON. Yes.

Mr. KENNEDY. Could we identify the agreement?

Did you have any choice about purchasing the tractor?

Mr. ANDERSON. Well, you could either purchase it or figure on finding another job.

The CHAIRMAN. I hand you here what purports to be a photostatic copy of what is entitled "Lease With Option To Purchase Agreement," dated the 10th day of March 1958, purported to be executed between Transport Manufacturing & Equipment Co. and Ardith L. Anderson.

I wish you would examine it and state if you will identify it as a photostatic copy of the original contract.

(The document was handed to the witness.)

Mr. ANDERSON. Yes; that is the one.

The CHAIRMAN. It may be made exhibit No. 77.

(Document referred to was marked "Exhibit No. 77" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Is that the contract that you signed?

Mr. ANDERSON. Yes.

The CHAIRMAN. I understood you to say you felt you had to either enter into such a contract and purchase the truck or tractor as you term it or look for another job. Is that true?

Mr. ANDERSON. Yes; that is true.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. Is the same thing true as far as you are concerned, Mr. Branum?

Mr. BRANUM. Yes.

The CHAIRMAN. Did you enter into a similar contract?

Mr. BRANUM. Yes.

The CHAIRMAN. I hand you here what purports to be a photostatic copy of your contract for the lease and option to purchase of a tractor. Will you please examine it and state if that is a photostatic copy of the contract which you entered into.

(The document was handed to the witness.)

Mr. BRANUM. Yes, sir; that is mine.

The CHAIRMAN. It may be made exhibit No. 77-A and then they will be attached.

(Document referred to was marked "Exhibit No. 77-A" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Mr. Anderson and Mr. Branum, the contract provides that you pay \$1,000 down, 5 cents a mile to the company for 275,000 miles, plus \$100 in cash, and then you would have possession of the tractor?

Mr. ANDERSON. Yes.

Mr. KENNEDY. Or the piece of equipment. And that is a total of \$14,850 for both of you; is that correct?

Mr. ANDERSON. Yes.

Mr. BRANUM. Yes.

Mr. KENNEDY. Did you feel that this was a fair arrangement in view of the fact that the company had paid only \$12,500 for these tractors some 4 years prior to that, that you are paying \$14,850 for them?

Mr. ANDERSON. I didn't feel it was a good deal at all, but my sole purpose in buying the tractor, in trying to buy the tractor, was to keep the job and keep working and hold seniority with the company.

As it turned out, I didn't have any seniority anyway. That was my idea of going ahead with it.

Mr. KENNEDY. What about you, Mr. Branum?

Mr. BRANUM. Likewise, I figured I would hold my seniority.

Mr. KENNEDY. You mean if you did not make this purchase you would have to find a job someplace else and go all the way to the bottom of the heap?

Mr. BRANUM. Some guys with 20 years with the company are not with the company any more, that didn't purchase a tractor.

Mr. KENNEDY. Did the union try to intervene and help you?

Mr. BRANUM. In a sort of way.

Mr. KENNEDY. How did they do that?

Mr. BRANUM. They helped rig up this last contract we had which is different.

Mr. KENNEDY. Did they try to help you in connection with the purchases you had to make?

Mr. BRANUM. The only help in the union was our steward, Mr. Jones.

Mr. KENNEDY. Did they intervene with the company to point out the unfairness at all?

Mr. BRANUM. A little.

Mr. KENNEDY. Did it help you at all? Were you able to get the terms of the contract changed?

Mr. BRANUM. It did from the standpoint of 300,000 miles to 275,000 miles.

Mr. KENNEDY. In the last analysis, you had to sign this contract which amounted to the payment of some \$14,800?

Mr. BRANUM. That is correct.

Mr. KENNEDY. Is that correct, Mr. Anderson?

Mr. ANDERSON. Yes.

Mr. KENNEDY. In addition to taking out the 5 cents a mile for the purchase of the piece of equipment, they also took out another cent a mile for repairs to be held in an escrow account for repairs, for tires, or whatever other equipment you might have?

Mr. ANDERSON. Yes.

Mr. KENNEDY. Did you have any experience with that?

Mr. ANDERSON. Yes; I had quite a lot of experience with that.

In January of this year I went in to try to get—I had about \$400 in the escrow account and I needed four new tires. I went in to get the money to buy four tires and they refused to let me have it.

The CHAIRMAN. It was your money; they withheld a cent a mile. Is that correct?

Mr. ANDERSON. That is right.

The CHAIRMAN. That was to meet these expenses of repairs and new tires?

Mr. ANDERSON. Yes.

The CHAIRMAN. When you went to get money with which to purchase new tires, you were denied the money?

Mr. ANDERSON. That is right.

The CHAIRMAN. Were you given any part of the money?

Mr. ANDERSON. No. They offered to loan me the money and deduct payment out of my weekly checks.

The CHAIRMAN. Loan you your own money?

Mr. ANDERSON. It amounted to that.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Did you take the loan?

Mr. ANDERSON. No.

Mr. KENNEDY. The contract specifically provides that—

the remaining 1 cent per mile is retained by the lessor in behalf of the lessee as a major overhaul fund which fund is to be released to the lessee to pay the cost of such necessary major overhaul performed on the leased tractor or for new tires or emergency breakdowns away from home, at a cost of \$100 or more.

You came in and wanted new tires and they would not give you the money for it?

Mr. ANDERSON. That is right.

The CHAIRMAN. Did you ever get your money back?

Mr. ANDERSON. I told this Dorn—he is the man who works for the Transport Equipment Co. and deals with the drivers—I told him they were breaching the contract. He said, “You can call it whatever you like, but you can’t have that money.”

So I went and got a lawyer and there was some correspondence between my lawyer and Riss & Co., and they refunded the original downpayment.

Mr. KENNEDY. Then you got rid of your piece of equipment; is that right?

Mr. ANDERSON. That is right.

Mr. KENNEDY. Why?

Mr. ANDERSON. Well, I didn’t have tires to run it with and I thought if they was going to operate like that, why, that was enough for me. I couldn’t continue. When I could not even get money that was my own from them, I did not feel like I should keep on trying to fulfill my contract.

Mr. KENNEDY. Did you go to the union for help?

Mr. ANDERSON. No; I didn’t.

Mr. KENNEDY. What local were you in at that time?

Mr. ANDERSON. Local 299 in Detroit.

Mr. KENNEDY. How did you end up in local 299?

Mr. ANDERSON. Well, they transferred us out of 41 into 299. It was in May, I believe, of 1958.

Mr. KENNEDY. Did the membership give their approval to that?

Mr. ANDERSON. No; they didn’t ask us.

Mr. KENNEDY. Just transferred you all up to Detroit?

Mr. ANDERSON. Yes.

Mr. KENNEDY. Where you could not possibly get any grievance settled in Detroit or you would have to go up there in order to have any grievance settled?

Mr. ANDERSON. That is right.

Mr. KENNEDY. Did you feel that was unfair?

Mr. ANDERSON. Sure, I did. At one time we tried to contact officials in Detroit and we couldn’t get anybody to talk to us even after we paid for our telephone call.

Mr. KENNEDY. How did this all end up? How much money did you invest in the tractor-trailer?

Mr. ANDERSON. Well, I don’t have the exact amount, but it was around \$5,000, I think.

TESTIMONY OF LEO C. NULTY—Resumed

Mr. KENNEDY. How much had he invested and how much did he lose?

Mr. NULTY. Our records show that Mr. Anderson had invested his \$1,000 downpayment, the 5 cents a mile, which had accumulated for 89,423 miles, was \$4,471.15.

Mr. KENNEDY. Is that with the \$1,000?

Mr. NULTY. No; that is separate from the \$1,000.

The CHAIRMAN. How much of this 1 cent a mile for repairs—how much had accumulated in that?

Mr. NULTY. Mr. Chairman, in the escrow account at the time he left the company, there was \$441.30.

The CHAIRMAN. \$441.30?

Mr. NULTY. That is correct.

Mr. KENNEDY. How much did he get back then?

Mr. NULTY. He received \$1,000 downpayment back.

Mr. KENNEDY. The company got all the rest?

Mr. NULTY. That is correct.

TESTIMONY OF ROY BRANUM AND ARDITH L. ANDERSON—Resumed

The CHAIRMAN. That totals, according to my calculation, \$1,000 downpayment, 5 cent mileage for 8,942 miles, and the escrow account of \$441.30, which makes a total of \$5,912.45 that was actually your money, or your equity in the truck.

Mr. ANDERSON. That is right.

The CHAIRMAN. When you settled, over what period of time now have you owned the truck? Over what period of time had you done this driving and made these payments?

Mr. ANDERSON. From March 10 to, I believe it was the 1st of February.

The CHAIRMAN. In other words, for about 11 months?

Mr. ANDERSON. That is right.

The CHAIRMAN. In round numbers in 11 months' time, with your downpayment you had done enough driving to accumulate \$5,912 equity in the truck?

Mr. ANDERSON. That is right.

The CHAIRMAN. And you got back—

Mr. ANDERSON. After I paid my lawyer I got back \$500.

The CHAIRMAN. After you paid your lawyer you got back \$500. In other words, your lawyer got \$500 and you got \$500?

Mr. ANDERSON. That was our agreement. You see, he took the case on a percentage basis.

The CHAIRMAN. I understand that. But what you got out of them was \$1,000?

Mr. ANDERSON. Yes.

The CHAIRMAN. And you had to pay a lawyer half of that to get that much of it?

Mr. ANDERSON. Yes.

Mr. KENNEDY. The point on this, Mr. Chairman, and why the union is so involved in addition to what the company has done, which

is unfair to its employees, but section 2 of article 5 for the Central States over-the-road motor freight agreement states specifically:

The employer shall not require as a condition of continued employment that an employee purchase truck, tractor, and/or tractor-trailer or vehicle equipment.

The CHAIRMAN. That is master agreement negotiated between the Teamsters and the transportation group.

Mr. KENNEDY. Right. So they made these purchases under very adverse conditions where the correspondence of the company shows that the tractor a year before, that the equipment was worth less than \$3,500, they made the people pay some \$14,800 for the equipment, and then when they started complaining about it they transferred them all up to local 299 in Detroit so that there was no representative of the local union on location that could carry any of their complaints. All transferred up to Mr. Hoffa's local union.

Mr. Hoffa, as it has been testified to here, is a personal friend of Mr. Riss.

The CHAIRMAN. Let me get this down a little more explicitly.

How long had this truck been used before you bought it? How many years had it been driven in service?

Mr. ANDERSON. According to Riss records and the speedometer mileage on the truck, it had 264,000 miles on it, and it was a 1954 model. That was March 10, 1958. It was 4 years old.

The CHAIRMAN. In other words, the truck was 4 years old with 264,000 miles on it at the time you bought it, and where did we get this information about its being valued at less than \$4,000?

Mr. KENNEDY. From the correspondence that we placed in the record this morning, Mr. Chairman. Mr. Riss said in a letter to General Motors Co. that General Motors Co. claimed it was worth \$3,500 in October of 1956, and Mr. Riss did not feel that it was worth that much. That is point No. 1.

In addition, at the time when they made these purchases, the books of the Riss Co. showed that this piece of equipment was worth \$1,600.

The CHAIRMAN. So you actually paid at least double the value of the truck in your driving, and the money you accumulated which runs approximately \$6,000 in round numbers. You paid probably double the value of the truck, on the basis of the way this was carried on the books.

Mr. ANDERSON. Yes.

The CHAIRMAN. Well, you have had an experience, haven't you?

Mr. ANDERSON. It was educational.

Mr. ERVIN. You had to pay the tuition fees which are charged in the school of experience, and they are said to be rather high.

Mr. ANDERSON. Yes; they were high in that case.

Senator ERVIN. It would appear, Mr. Chairman, that sometimes contract are negotiated on an area basis which would afford some protection and some benefit to the rank-and-file members of the union if they were enforced.

It would also appear that whenever it suits the whim or caprice of some of the higher-ups in the Teamsters, that protection and benefits of these contracts are nullified insofar as many rank-and-file members are concerned. That is a tragic situation.

The CHAIRMAN. Here these boys are paying dues to a union that is supposed to give them some assistance and certainly give them protection. You have neither from your union. Is that correct?

Mr. ANDERSON. That is right, sir.

Mr. BRANUM. It seems that way.

Mr. KENNEDY. What happened as far as your equipment, Mr. Branum?

Mr. BRANUM. In what way do you want the answer?

Mr. KENNEDY. You purchased it also under this lease-purchase arrangement. Do you still have the equipment?

Mr. BRANUM. No; I do not. While I was sick, my wife drove it down to the yard and parked it, locked it up, and then she notified the company that it was there. They broke into it, taken it to the garage, and then a few months later they sent me a statement that they had foreclosed on me.

Mr. KENNEDY. This is when you were sick?

Mr. BRANUM. Yes, sir.

The CHAIRMAN. What did you get out of it?

Mr. BRANUM. Not a thing except a lot of trips to the doctor so far.

The CHAIRMAN. I know, but how much had you paid on your truck? Do you know?

Mr. BRANUM. \$1,000 cash, sir.

The CHAIRMAN. What else?

Mr. BRANUM. Well, I think I run 8,900 miles.

The CHAIRMAN. Yours was about the same?

Mr. BRANUM. Somewhere in the neighborhood of \$1,000 more or less; the same as Mr. Anderson had run.

The CHAIRMAN. In other words, you didn't even get your original investment back?

Mr. BRANUM. Not yet, sir.

The CHAIRMAN. Not yet?

Mr. BRANUM. Yes, sir.

The CHAIRMAN. Do you still have hopes?

Mr. BRANUM. Well, I am kind of on the fence. I don't know what they will do from being off sick. They told me when I would come back, by telephone call, that I would be taken care of. What that may mean I do not know yet.

The CHAIRMAN. Well, if it is done pretty soon, and you get taken care of, will drop us a note and tell us how well you were taken care of?

Mr. BRANUM. I will.

Mr. KENNEDY. What do the records of Riss & Co. show for Mr. Branum?

Mr. NULTY. Mr. Branum, at the time his truck was turned in, had on it 66,067 miles, for which he was paid \$3,303.35. He had in the escrow account \$80.36, making a total of \$4,303.35.

Mr. KENNEDY. That he paid?

Mr. NULTY. That he paid; yes, sir. His \$1,000 downpayment brings that up to \$4,303.

Mr. KENNEDY. How much did you get back?

Mr. BRANUM. I have nothing yet, sir, but did you forget the \$15,000 they credited me with on an overhaul on that?

Mr. NULTY. The total mileage on his truck was 81,067. It shows he was paid 66,067, which is a 15,000 mile difference. Maybe Mr. Branum will explain what happened.

Mr. KENNEDY. You don't mean he was paid. He paid.

Mr. NULTY. He paid; that is correct.

Mr. KENNEDY. What happened?

Mr. BRANUM. They allotted me 15,000 miles for an overhaul when I had a breakdown. They reoverhauled my engine to put it back on the road again, and took my money, then took it back and credited me with it again and then took it away again.

The CHAIRMAN. In other words, they took 15,000 miles away from you?

Mr. BRANUM. Yes, sir.

The CHAIRMAN. In other words, they took that off your credit?

Mr. BRANUM. Right, sir.

Mr. KENNEDY. How were the tires when you got your truck?

Mr. BRANUM. Recapped in 1954. Two of them blew out on the first trip.

Mr. KENNEDY. Let me ask you about whether certain other violations of the contract take place in this company.

Under the contract, you are supposed to receive a premium for hauling explosives. Do you receive the premium for hauling explosives?

Mr. BRANUM. No, sir.

Mr. ANDERSON. No, we didn't, under this lease with option to buy

Mr. KENNEDY. You do not receive premium?

Mr. ANDERSON. No.

Mr. KENNEDY. How much are you supposed to receive as a premium for driving explosives?

Mr. ANDERSON. It is a cent and a half, isn't it?

Mr. BRANUM. I believe that is correct.

Mr. KENNEDY. It is a half cent more, I believe, more each mile. You don't receive the extra half cent when you drive explosives?

Mr. ANDERSON. No, sir.

Mr. KENNEDY. Under the contract, you are supposed to be paid in two separate checks, one check for wages and one check for the rental equipment. Do you get paid in two separate checks?

Mr. ANDERSON. No, we never did.

Mr. KENNEDY. Is that right?

Mr. BRANUM. No, sir. I heard Mr. Riss this morning paying two checks. Maybe he means that advance check they give us to operate on when we didn't have the money to operate with. But no equipment check. We got a payroll check but no equipment check.

Mr. KENNEDY. This, of course, has considerable meaning, Mr. Chairman, because of determining how much money you are getting in salary and how much money you are getting for equipment and being able to determine that, rather than just an overall check.

The CHAIRMAN. How did you know when you got your check how much was income, that is, salary, that you had to give an accounting for in your income tax? How would you know?

Mr. ANDERSON. They give us a statement which showed union scale for driving wages, which they deducted for income tax, out of that, you see, and then what other deductions we had, like work we had had done in the shop or repairs we had charged through the company, it

was all deducted—I mean, it was all put together and deducted from our settlement.

The CHAIRMAN. Did they give you a statement that would give you correct information as to what part of your check was salary, what part was for repairs, and what part was for other benefits or mileage and so forth?

Mr. BRANUM. If you knew how to read it, you could figure it out. But otherwise you didn't know.

Mr. KENNEDY. Under section 6 of article 32, Mr. Chairman, it states specifically—

Separate checks shall be issued by the certified or permitted carriers for drivers' wages and equipment rental.

The CHAIRMAN. You didn't get separate checks?

Mr. ANDERSON. No, we never did.

Mr. KENNEDY. Since you have had the two-man operation, it has been very unprofitable; is that correct?

Mr. BRANUM. Very much.

Mr. KENNEDY. Has the company, in view of the fact—recognizing that the two-man operation is unprofitable—have they stated to you that the second driver should kick back, that you should kick back a certain percentage of your wages to the second driver?

Mr. BRANUM. Yes, they have.

Mr. KENNEDY. Do you kick back, when you work for Riss & Co.?

Mr. BRANUM. The second driver did, to us.

Mr. KENNEDY. The second driver gives it to you?

Mr. BRANUM. Yes, sir.

Mr. KENNEDY. How much did the company suggest that he give?

Mr. BRANUM. They said 1 or 2 cents. Myself, personally, I took 2 cents back from my driver, and then I couldn't meet my bills from the operating expense, because the payment on the tractor from the lease allowed me 4.9 to buy fuel and it took practically that much to buy. That was the price of the paying of the tractor.

Mr. KENNEDY. Actually, you would be almost losing money operating?

Mr. BRANUM. You did. When you went two-man operation, it wouldn't pay its way. You had to use the second man's pay to be able to operate the tractor.

The CHAIRMAN. When you are talking about second man's pay and kickback, that is even though you are the owner-operator of the truck under this purchase agreement, then you have to hire a second man?

Mr. BRANUM. Right.

The CHAIRMAN. And you have to give him so much wages?

Mr. BRANUM. Well, Mr. Riss seen that that was taken out. He took out his driver's pay out of yours. It was supposed to be 23 cents a mile, and he took out 6 cents a mile for that driver plus \$3 a week for his old-age benefit—well, not old-age benefit. That is when he gets too old to work any longer. You had to pay that.

The CHAIRMAN. Retirement pay?

Mr. BRANUM. Retirement pay.

The CHAIRMAN. He would withhold that from your check?

Mr. BRANUM. Yes, sir.

The CHAIRMAN. To pay the driver he would put on, the second driver?

Mr. BRANUM. Yes, sir.

The CHAIRMAN. Someone he hired?

Mr. BRANUM. Well, we had to agree that that was the guy we would let run with us.

The CHAIRMAN. All right. You worked it out. But anyway, that was the second driver?

Mr. BRANUM. Yes, sir.

The CHAIRMAN. He would withhold this money from your check in order to pay the second driver?

Mr. BRANUM. Yes, sir.

The CHAIRMAN. And then require the second driver to pay a part of his money that had been withheld for him as his salary to pay it back to you?

Mr. BRANUM. Right, sir.

The CHAIRMAN. How much did you say you got out of that?

Mr. BRANUM. My driver, I took 2 cents from him.

The CHAIRMAN. Two what?

Mr. BRANUM. Two cents a mile.

The CHAIRMAN. Two cents a mile from him?

Mr. BRANUM. Right.

The CHAIRMAN. So instead of him getting 6 cents a mile, he actually got 4?

Mr. BRANUM. He worked for 4 cents a mile.

The CHAIRMAN. I don't understand all the ramifications. Why can't you just pay a fellow so much for what he does?

Mr. BRANUM. I asked Mr. Riss and his company if I couldn't go out and hire my own driver. He said, "No, it wouldn't be legal that way."

The CHAIRMAN. It wouldn't be legal?

Mr. BRANUM. That is right, sir. This way I am the goat. I had to cheat on the man and his records looked that it was operated by union.

Mr. KENNEDY. And this was suggested?

Mr. BRANUM. To us; yes, sir. They would not let us hire our own man and collect 23 cents a mile, because we would have made a little money if we could have operated that way.

Mr. KENNEDY. And the representatives of the company are the ones that suggested that you take the cent or 2 cents?

Mr. BRANUM. The representative of the company. Mr. Riss didn't suggest that.

Mr. KENNEDY. Who suggested it to you?

Mr. BRANUM. Mr. Perkins was the one who recommended it to me, because I was one of the last men that fought to stay in single operation.

Mr. KENNEDY. What about you?

Mr. ANDERSON. Perkins was the one.

Mr. KENNEDY. In addition to that, as another violation, they don't pay the overload premium; is that correct?

Mr. BRANUM. No, they don't.

Mr. KENNEDY. Under the contract, the company is to pay a half cent per mile for each 1,000 pounds over 23,000 pounds?

Mr. ANDERSON. Right.

Mr. KENNEDY. Do they pay that?

Mr. ANDERSON. No.

Mr. KENNEDY. Do they pay that?

Mr. BRANUM. No, sir.

Mr. KENNEDY. That is a specific violation of the contract.

What was your average load?

Mr. BRANUM. 28,000 to 30,000.

Mr. KENNEDY. So it is approximately 21½ cents extra per mile that each one of the employees would get which, of course, is a considerable difference.

Was there a company policy to deliver directly to the consignee rather than to the terminal?

Mr. ANDERSON. If they could force us to; that is it.

Mr. KENNEDY. They tried to do that?

Mr. ANDERSON. They wanted us to do that.

Mr. BRANUM. Very specifically.

Mr. KENNEDY. This again, Mr. Chairman, is of very great significance. This is the point that Mr. Riss was able to get Mr. Hoffa to agree to, when he went down to Florida to see Mr. Beck, and then he presented it to the union officials and the union officials turned it down.

Of course, it is a great saving if the company can make the deliveries themselves, rather than to deliver to a terminal and then have the local driver pick it up and make the delivery.

What the Riss Co. was having you do was to make the actual deliveries where you could get away with it; is that right?

Mr. BRANUM. That was the very words they used, "if we could get away with it."

Mr. KENNEDY. Of course that is a direct violation of the contract.

Mr. ANDERSON. Sure.

Mr. KENNEDY. Did you protest about being assigned to local 299, to be put in that local?

Mr. BRANUM. They sent me a letter to appear at 299, but I never did so. I never answered it.

Mr. KENNEDY. Did you sign a petition?

Mr. BRANUM. No, sir.

Mr. KENNEDY. How did you find out you were in local 299?

Mr. BRANUM. When my wife went down to pay my union dues in 41. They said we can't take your money here because you have been transferred to 299.

The CHAIRMAN. 41 was not abolished; was it?

Mr. BRANUM. No, sir.

The CHAIRMAN. In what town?

Mr. BRANUM. Kansas City, Mo.

The CHAIRMAN. That is where you live?

Mr. BRANUM. Yes, sir.

The CHAIRMAN. You operated out of Kansas City?

Mr. BRANUM. Yes, sir.

The CHAIRMAN. That is where your membership was in the local at Kansas City, local 41?

Mr. BRANUM. That is right.

The CHAIRMAN. You were transferred without your knowledge or consent out of 41 to 299 in Detroit?

Mr. BRANUM. That is right.

The CHAIRMAN. So when you had a grievance or something that you wanted your union to help you with—

Mr. BRANUM. We had no one to go to.

The CHAIRMAN. You had no one to go to in Kansas City. If you went to 41 they would say that is none of our business, you go to 299?

Mr. BRANUM. Right.

The CHAIRMAN. 299 is in Detroit?

Mr. BRANUM. Yes.

The CHAIRMAN. You were invited to come to 299 in your letter?

Mr. BRANUM. They would not even answer our telephone calls in 299. When we went to an operation St. Louis-Kansas City, it was not proper in any way, shape, or form. It was 255 miles split between two men. They would not even answer our calls to break it down.

The CHAIRMAN. Even if you paid for the call?

Mr. BRANUM. Yes.

Senator ERVIN. You found when you attempted to get justice in the proposed grievance procedure that the justice was not only blind, but was also deaf?

Mr. BRANUM. Right, sir.

Mr. KENNEDY. When you put a grievance in were you able to get the grievance posted?

Mr. ANDERSON. I never put a grievance in after we were transferred to 299. Because there was no use and there was no grievance book or there was no way to file a grievance. You could catch a train to go to Detroit to file it.

Mr. KENNEDY. What about when the cent and a half arrangement was put in and you wanted to put in a fringe benefit instead?

Mr. BRANUM. At that time it was company equipment and then we did have a steward in 41.

Mr. KENNEDY. Did the company pay those grievances?

Mr. BRANUM. Some.

Mr. KENNEDY. How about you, Mr. Anderson?

Mr. ANDERSON. I filed one for that 28-day period and I never heard from it. The fellows that filed at the same time I did they paid some of it.

Mr. KENNEDY. That is all.

The CHAIRMAN. Is there anything further?

Thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Mattson, Mr. Overman, and Mr. Hendrix.

The CHAIRMAN. Gentlemen, will you be sworn?

Do you and each of you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MATTSON. I do.

Mr. OVERMAN. I do.

Mr. HENDRIX. I do.

TESTIMONY OF HARRY V. MATTSON, CECIL J. OVERMAN, AND
LOREN HENDRIX, ACCOMPANIED BY COUNSEL, HAROLD G.
HERNLY

The CHAIRMAN. Let the witnesses sit up at the table and counsel you sit by them somewhere where you can confer with them if they desire.

Beginning on my left; will the witness state his name, his place of residence, and his business or occupation, please.

Mr. HENDRIX. My name is Loren Hendrix, 1503 River Road, Toledo, Ohio.

The CHAIRMAN. What is your business or occupation?

Mr. HENDRIX. I am executive vice president of Midwest Haulers, Inc.

The CHAIRMAN. Thank you very much.

The one in the center, please.

Mr. MATTSON. Harry Mattson, 12416 Iroquois Road, Palos Park, Ill.; president of Chi-East Trucking Co.

The CHAIRMAN. The one on my right.

Mr. OVERMAN. Cecil Overman, 2821 West 86th Street, Chicago, Ill.; vice president of Midwest Haulers, general manager and director of Chi-East Trucking Co.

The CHAIRMAN. Thank you very much. You have the same counsel representing you, do you?

Mr. HENDRIX. We do.

The CHAIRMAN. Counsel, will you identify yourself?

Mr. HERNLY. Harold G. Hernly, 1624 I Street NW., Washington, D.C.

The CHAIRMAN. Thank you, sir. All right, Mr. Kennedy, you may proceed.

Mr. KENNEDY. Mr. Chairman, this is slightly complicated.

The CHAIRMAN. What we just got out was not uncomplicated.

Mr. KENNEDY. I might say that was easy compared to this.

The CHAIRMAN. All right.

Mr. KENNEDY. Now, there are two companies that are involved here, Midwest Haulers and Chi-East. Midwest Haulers is in Toledo; is that correct?

Mr. HENDRIX. That is correct.

Mr. KENNEDY. Midwest Haulers is in Toledo and Chi-East is in Chicago; is that right?

Mr. MATTSON. That is right.

Mr. KENNEDY. Mr. Overman, you are general manager of Chi-East?

Mr. OVERMAN. Correct.

The CHAIRMAN. And an officer of Midwest?

Mr. OVERMAN. Correct.

Mr. KENNEDY. Chi-East is a trucking company; is that correct?

Mr. MATTSON. That is correct.

Mr. KENNEDY. How large is Chi-East? What is their gross business?

Mr. MATTSON. I did not hear that question.

Mr. KENNEDY. What is the gross business of Chi-East?

Mr. MATTSON. Gross?

Mr. KENNEDY. Yes.

Mr. MATTSON. Well, we got 20 tractors running now. I don't know what the gross of that would be right now.

Mr. KENNEDY. Does Chi-East have any contract with the union?

Mr. MATTSON. No.

Mr. KENNEDY. Does it have over-the-road drivers?

Mr. MATTSON. Yes.

Mr. KENNEDY. Does Midwest have a contract with the union?

Mr. HENDRIX. Yes, they do.

Mr. KENNEDY. Does it have any drivers?

Mr. HENDRIX. It does not.

Mr. KENNEDY. So the situation is that Chi-East has no contract and has drivers and Midwest has a contract with no drivers.

Mr. HENDRIX. That is correct.

The CHAIRMAN. Wait a minute. Are these companies one and the same?

Mr. HENDRIX. They are not.

The CHAIRMAN. Does the same interest own both?

Mr. HENDRIX. They do not.

The CHAIRMAN. Altogether different?

Mr. HENDRIX. Altogether different.

The CHAIRMAN. All right.

Mr. KENNEDY. Who are the stockholders of Chi-East?

Mr. MATTSON. The stockholders of Chi-East are Mr. Mattson, Mr. Overman, and Mr. Michael.

Mr. KENNEDY. Mattson, Overman, and Mr. Michael?

Mr. MATTSON. Yes.

The CHAIRMAN. Does that include two of the witnesses present?

Mr. OVERMAN. Yes, sir.

The CHAIRMAN. Mr. Mattson and Mr. Overman, the two witnesses present, are stockholders—and who else?

Mr. OVERMAN. Mr. C. J. Michael.

The CHAIRMAN. Those are the only stockholders?

Mr. OVERMAN. The three; yes, sir.

Mr. KENNEDY. Who is Mr. Michael?

Mr. OVERMAN. He is an attorney in Chicago.

Mr. KENNEDY. Is he the company attorney for Chi-East?

Mr. OVERMAN. On specific occasions, yes; not at all times.

Mr. KENNEDY. Where did he get his stock?

Mr. OVERMAN. Where did he get his stock?

Mr. KENNEDY. Yes.

Mr. OVERMAN. I believe he got his stock from Mr. Hendrix.

Mr. KENNEDY. Is that right, Mr. Hendrix?

Mr. HENDRIX. He did.

Mr. KENNEDY. How long ago did he get his stock from you?

Mr. HENDRIX. I think the end of 1957.

Mr. KENNEDY. How much did he pay for that?

Mr. HENDRIX. He didn't pay anything for it other than services.

Mr. KENNEDY. You gave him the stock, did you? He holds the stock for you?

Mr. HENDRIX. He does.

The CHAIRMAN. You actually own it? You three own this company? Is that the truth about it?

Mr. HENDRIX. Yes, that is the truth of it.

Mr. KENNEDY. That takes care of that company.

Now, I want to go to Midwest. Who owns Midwest?

Mr. HENDRIX. Well, there are, I think, five stockholders of Midwest.

Mr. KENNEDY. Who are they?

Mr. HENDRIX. Four of them are the Hankison family of Toledo, Ohio. The other is the U.S. Freight Co., of New York City.

The CHAIRMAN. U.S. Freight Co.?

Mr. HENDRIX. That is correct.

Mr. KENNEDY. Who is the other owner?

Mr. HENDRIX. That will do, that is all.

Mr. KENNEDY. Just you?

Mr. HENDRIX. I have no part in it.

Mr. KENNEDY. The Hankison family, and who else?

Mr. HENDRIX. U.S. Freight Co., of New York City.

The CHAIRMAN. What is the name of this company?

Mr. KENNEDY. Midwest.

Where is Chi-East's office in Chicago?

Mr. MATTSON. 4027 South Wells Street.

Mr. KENNEDY. Who owns that building?

Mr. MATTSON. Midwest Haulers.

Mr. KENNEDY. Does Chi-East pay any rent to Midwest?

Mr. MATTSON. Well, Chi-East furnishes a girl who does the office work for Midwest, whatever there is.

Mr. KENNEDY. And pays no rent?

Mr. MATTSON. No rent.

Mr. KENNEDY. Is it clear so far, Mr. Chairman?

The CHAIRMAN. We have not got to a point yet.

Mr. KENNEDY. We will.

Now, Mr. Overman, as well as being one of the owners of Chi-East, you have some official position with Midwest?

Mr. OVERMAN. I believe that is right.

Mr. KENNEDY. What is your position?

Mr. OVERMAN. Vice president.

Mr. KENNEDY. Of Midwest?

Mr. OVERMAN. In Chicago; yes.

The CHAIRMAN. You are vice president without owning any stock?

Mr. OVERMAN. That is correct.

Mr. KENNEDY. Mr. Hendrix, do you have some position with Midwest?

Mr. HENDRIX. I am the executive vice president of Midwest Haulers.

The CHAIRMAN. You own no stock in it?

Mr. HENDRIX. I do not.

Mr. KENNEDY. Now we have established the relationship; do you understand that?

The CHAIRMAN. We are getting some of it established.

Mr. KENNEDY. Mr. Hendrix, you are also an adviser to Chi-East; is that right?

Mr. HENDRIX. Yes, I guess.

(At this point Senator Church entered the hearing room.)

Mr. KENNEDY. Now, the important thing is that Chi-East, Mr. Chairman, I point out, has no contract with the union, but it does have drivers; while Midwest has a contract with the union, but no drivers. Is that right?

Mr. HENDRIX. That is correct.

The CHAIRMAN. How many drivers does Chi-East have?

Mr. MATTSON. Right now, 20.

The CHAIRMAN. Twenty?

Mr. MATTSON. Twenty; yes.

The CHAIRMAN. Is that more or less than it has had?

Mr. MATTSON. It is less than it formerly had.

The CHAIRMAN. What did it formerly have?

Mr. MATTSON. In 1956 and 1957 it would run about 110 trucks.

The CHAIRMAN. How many drivers?

Mr. MATTSON. About the same amount of drivers.

The CHAIRMAN. Sometimes they have two drivers to a truck.

Mr. MATTSON. Sometimes there is a shortage of trucks.

The CHAIRMAN. Let us say 110.

Mr. MATTSON. Trucks.

The CHAIRMAN. You have 20 now?

Mr. MATTSON. Twenty now.

The CHAIRMAN. Is that based on the kind of seasonal thing where the number fluctuates, goes up and down, or has business decreased that much since 1956?

Mr. MATTSON. Well, business was very bad then back in 1958, the last of 1957.

The CHAIRMAN. How is it in 1959?

Mr. MATTSON. Business is not too bad right now, but we don't have any more equipment.

Mr. KENNEDY. Mr. Mattson, the employees that work for you, the drivers, do you pay them union scale?

Mr. MATTSON. Union scale?

Mr. KENNEDY. Union scale.

Mr. MATTSON. This year I am not; no.

Mr. KENNEDY. Do you pay them any layover?

Mr. MATTSON. No.

Mr. KENNEDY. Do you pay them any breakdown?

Mr. MATTSON. No.

Mr. KENNEDY. Do you pay them any meal allowance?

Mr. MATTSON. No.

Mr. KENNEDY. Do you pay them any lodging?

Mr. MATTSON. No.

Mr. KENNEDY. Do you pay them any holiday?

Mr. MATTSON. No, only when they ask.

Mr. KENNEDY. Do you pay them any vacation?

Mr. MATTSON. Yes.

Mr. KENNEDY. How much vacation?

Mr. MATTSON. Paid every driver's vacation, always have.

Mr. KENNEDY. Has the union complained about the fact that you pay no layover, you pay no union scale, you pay no breakdown, you pay no meal allowance, you pay no holiday, when it is specified in the contract?

Mr. MATTSON. No.

Mr. KENNEDY. They have not objected? They have not complained?

Mr. MATTSON. Except when they have a complaint they will call us up then, we will pay the driver his breakdown pay.

Mr. KENNEDY. But they have not complained about the fact that you don't follow the contract in all of these instances?

Mr. MATTSON. No.

Mr. KENNEDY. Have the drivers complained?

Mr. MATTSON. We have had a few complaints, yes, and we have paid it then.

(At this point Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. How have you been able to get by without following the contract?

Mr. MATTSON. What?

Mr. KENNEDY. How have you been able to get by without following the contract?

Mr. MATTSON. I don't know. We have been.

Mr. KENNEDY. Do you pay any union official any money?

Mr. MATTSON. No, sir.

Mr. KENNEDY. Give them anything directly or indirectly?

Mr. MATTSON. No, sir.

Mr. KENNEDY. They just don't bother to enforce the contract?

Mr. MATTSON. No.

Mr. KENNEDY. Have any of the drivers been fired because they claimed grievances for these fringe benefits?

Mr. MATTSON. No, sir; not to my knowledge.

Mr. KENNEDY. Mr. Overman, have any of the drivers been fired because they claimed grievance?

Mr. OVERMAN. Not to my knowledge.

Mr. KENNEDY. Have you ever threatened to fire drivers because they claimed grievances?

Mr. OVERMAN. No, sir.

Mr. KENNEDY. Never did?

Mr. OVERMAN. No, sir.

Mr. KENNEDY. Mr. Hendrix, do you get anything out of Chi-East now?

Mr. HENDRIX. Yes.

Mr. KENNEDY. What do you receive from Chi-East?

Mr. HENDRIX. \$275 a month.

Mr. KENNEDY. What is that for?

Mr. HENDRIX. For advice.

Mr. KENNEDY. Did you invest any money in Chi-East?

Mr. HENDRIX. I did.

Mr. KENNEDY. How much did you invest?

Mr. HENDRIX. I don't know.

Mr. KENNEDY. Mr. Mattson, did Mr. Hendrix invest any money in Chi-East?

Mr. MATTSON. Invest any money?

Mr. KENNEDY. Yes.

Mr. MATTSON. Well, I don't quite get the question there.

Mr. KENNEDY. I want to find out if he invested any money in the company.

Mr. MATTSON. Not to my knowledge; no.

Mr. KENNEDY. Mr. Overman, did Mr. Hendrix invest any money in the company?

Mr. OVERMAN. Well, what do you mean by "invest"?

Mr. KENNEDY. Let him tell you. He said that he did.

Mr. HENDRIX. Well, I assumed your question was in relation to stock. We operated trucks, before we incorporated the company as

a partnership, and the company was incorporated at the time there was a considerable equity in trucks that was shared by the three of us in which event I have an investment in the company, but I did not purchase outright any of the stock.

Mr. KENNEDY. You didn't put any money into the company?

Mr. HENDRIX. I did not, when it was a corporation.

Mr. KENNEDY. Have you gotten any money out of it in dividends?

Mr. HENDRIX. No.

(At this point Senator McClellan entered the hearing room.)

(At this point Senator Church withdrew from the hearing room.)

The CHAIRMAN. Please have the record not that a quorum still remains present.

There are being presented to you some photostatic copies of checks, Mr. Hendrix. Will you examine them and state if you identify them? (The documents were handed to the witness.)

Mr. HENDRIX. I do.

The CHAIRMAN. How many are there? I didn't count them.

Mr. HENDRIX. There are three checks.

The CHAIRMAN. They may be made exhibits Nos. 78-A, 78-B, and 78-C in the order of their dates.

(Checks referred to were marked "Exhibits 78-A, 78-B, and 78-C" for reference and will be found in the appendix on pp. 19841-19843.)

Mr. KENNEDY. Those three checks amount to some \$20,000; is that right?

Mr. HENDRIX. That is correct.

Mr. KENNEDY. You got that money?

Mr. HENDRIX. I beg your pardon?

Mr. KENNEDY. You got that money?

Mr. HENDRIX. Did I get it?

Mr. KENNEDY. Yes.

Mr. HENDRIX. Well, I suppose I did. I endorsed the checks.

Mr. KENNEDY. Why did you get that money?

Mr. HENDRIX. I wouldn't know.

The CHAIRMAN. Wait a minute. Wait a minute.

Mr. KENNEDY. As I said, this is a little complicated, Mr. Chairman.

The CHAIRMAN. Let me see those checks.

Did I understand you, that you said you got \$20,000 and you don't know why?

Mr. HENDRIX. Senator, I would have to look at my records. I have advanced this company money for the purchase of equipment. I am assuming that it is a return of advances that were made to Chi-East to buy trucks. I will not answer the question. I do not know.

The CHAIRMAN. Do we have information about these?

Mr. KENNEDY. I thought he said he didn't invest any money in the company.

Mr. HENDRIX. I tried to say that I understood you to mean that an investment would have been the purchase of stock. Now, I have loaned the company money as it went along. The company was incorporated in 1944 or 1945 or 1946. Those checks are dated in 1956. As the years have gone along, I have helped them at various times to buy trucks so that they would not need to finance them commercially. If I had the records, I could tell you. Now, I do not know.

The CHAIRMAN. Just a moment. Here is a check for \$14,000, dated December 12, 1956, payable to you, and which you endorsed, which

you say you assume you got the money from; here is another one dated December 13, 1956, that is the next day, for \$4,000, which you endorsed and presumably got the money from; here is another one for December 24, 1956, for \$2,402.56.

That is some \$20,000, and all in 1 month's time; 1956 is about 2 years ago, or 2½ years ago as of now. Had you loaned this company money or advanced the money during 1956?

Mr. HENDRIX. I would say that I had, because that has been a continuous process; yes.

The CHAIRMAN. Do you keep records of the money you advance to this company?

Mr. HENDRIX. I do.

The CHAIRMAN. Does it give you notes or any evidence of indebtedness when you advance money to it?

Mr. HENDRIX. It has.

The CHAIRMAN. Did it give you evidence of this indebtedness for which this is repayment?

Mr. HENDRIX. I am sure that it would have.

The CHAIRMAN. Are you sure it did or would have?

Mr. HENDRIX. Well, Senator, without the records I can't say I am sure it did. Upon numerous and several occasions it did.

The CHAIRMAN. Do you have your records with you?

Mr. HENDRIX. I do not.

The CHAIRMAN. Were you asked to bring in your records?

Mr. HENDRIX. I was not.

The CHAIRMAN. I understood you were asked to bring in your records.

Well, let's proceed a little further.

Mr. KENNEDY. Mr. Chairman, I might say that the records of the company don't show any such loans, and that this \$20,000 is charged to Mr. Overman and Mr. Mattson.

The CHAIRMAN. Who is running this Chi-East Co.? Which one of you run it?

Mr. MATTSON. Both of us run it.

The CHAIRMAN. You both run it?

Mr. OVERMAN. That is right.

The CHAIRMAN. Where are your records that show these borrowings from Mr. Hendrix?

Mr. MATTSON. I think you will probably find those checks. That was money loaned to me and Mr. Overman.

The CHAIRMAN. It was what?

Mr. MATTSON. Money loaned to me and Mr. Overman to put into the company by Mr. Hendrix.

The CHAIRMAN. You put it into the company. The company owned somebody. Did you keep any records in the company as to who the company owed?

Mr. MATTSON. Certainly. We have the records here.

The CHAIRMAN. We have them here. Who examined these records?

Mr. KENNEDY. Do you want to swear Mr. Schultz?

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SCHULTZ. I do.

TESTIMONY OF CARL M. SCHULTZ

The CHAIRMAN. State your name, where you are now employed, and how long you have been so employed.

Mr. SCHULTZ. Carl M. Schultz, a resident of Chicago, Ill. I have been with the committee as a staff member since 1957.

The CHAIRMAN. In the course of your duties as a member of the staff of this committee, have you examined the books and records of the Chi-East Co.?

Mr. SCHULTZ. I have, sir.

The CHAIRMAN. And of the Midwest Co., which are here involved in this immediate inquiry?

Mr. SCHULTZ. Just the Chi-East, Senator.

The CHAIRMAN. You have not examined Midwest?

Mr. SCHULTZ. No.

The CHAIRMAN. But you have examined Chi-East?

Mr. SCHULTZ. That is right, sir.

The CHAIRMAN. We have some checks which have just been placed into the record as exhibit No. 78-A, B, and C, about which we have been interrogating Mr. Hendrix.

Can you tell us anything about those checks or the debt they are supposed to represent from the records of the Chi-East Co.? Have you found any entry in the records of the Chi-East Co. that would relate to these checks or any moneys for which they were a repayment of in the nature of an obligation that the company owed?

Mr. SCHULTZ. I would first like to qualify that the books and records of the Chi-East are not in very good condition. Our examination was limited to the extent that many of the books of original entry are at Toledo, that is, the Midwest Haulers. In view of that—

The CHAIRMAN. Do you mean Chi-East records are in the Midwest office?

Mr. SCHULTZ. That is right, sir. So there was no way that you could accurately determine what their cash receipts were without seeing the original entries.

In our examination, their accounts payable in the year 1956 showed that Mr. Hendrix had no moneys coming. These three items here, for them there was a check that came from Midwest Haulers on December 11 in the amount of \$14,000, presumably for the payment of hauling. We were unable to verify that other than we see the entry where the \$14,000 was received.

On the following day, that \$14,000, a check for the same amount is issued to Mr. Hendrix. Later on in the month of December, one on December 13, \$4,000 was issued to Mr. Hendrix, and on December 24, \$2,402.56 was issued to Mr. Hendrix.

The total sum of those two checks were charged to the accounts of Mr. Mattson and Mr. Overman. They were the accounts payable. Those checks, according to the books, were paid to those two gentlemen. However, the checks were made out to Mr. Hendrix.

The CHAIRMAN. In other words, the checks were made to Mr. Hendrix, but the records show that the money went to Mr. Overman and Mr. Mattson?

Mr. SCHULTZ. That is correct.

The CHAIRMAN. Is that correct?

Mr. SCHULTZ. That is right.

The CHAIRMAN. In other words, the books of the company show that Mattson and Overman got the money although the checks went to Hendrix?

Mr. SCHULTZ. Yes. When we asked for their personal records, when we asked both Mr. Overman and Mr. Mattson whether or not they owed Mr. Hendrix any money, at that time they stated no. Attorney Michael was there and attempted to prevent us from getting the information, saying it was confidential, personal, and was not of concern to the committee.

We did find, however, that the check in the amount of \$4,000 and the check in the amount of \$2,402.56 were subsequently placed in the bank account, which is a joint account, of both Mr. Hendrix and Mr. Overman. We have not examined that account so we cannot say anything about it, other than what the disposition was of the checks.

The CHAIRMAN. You finally went into a bank account of Mr. Overman and Mr. Hendrix, a joint account?

Mr. SCHULTZ. Yes, in Chicago.

**TESTIMONY OF HARRY V. MATTSON, CECIL J. OVERMAN, AND
LOREN HENDRIX, ACCOMPANIED BY COUNSEL, HAROLD G.
HERNLY—Resumed**

The CHAIRMAN. Gentlemen, can you give any explanation of this situation? Can you give something that will clear it up, if it is all open, and up, up, up, tell us what it is.

Mr. HENDRIX. Well, Senator, there were various business dealings between myself and my two partners. Without the records I can't clear it up. I can only assure you that if an account payable was taken off of the books, if it was on the books as payable to Mattson and the money was given to Hendrix, and we are all satisfied, does anything need to be cleared up?

The CHAIRMAN. I don't know. I am trying to find out. The whole thing is a little bit mysterious. These companies you said had no relation between them. As I get this situation, there is quite a relationship between them. You are vice president of Midwest. Mr. Overman is a vice president of Midwest, and Mr. Overman is running the Chi-East and a vice president of it.

Is that it?

Mr. OVERMAN. Well, I am the general manager.

The CHAIRMAN. You have your accounts all mixed up here.

Mr. OVERMAN. Senator, I don't believe they are mixed up.

The CHAIRMAN. Of course, you may understand the division better than I do.

Mr. OVERMAN. I do understand.

The CHAIRMAN. We are trying to understand a little bit about it.

Mr. OVERMAN. To go back that far without the records, it is a little difficult to explain. But believe me—

The CHAIRMAN. You had been interrogated by the staff here about these matters before. Hasn't Mr. Schultz interrogated you about these matters before?

Mr. OVERMAN. I believe he asked me about that; yes.

The CHAIRMAN. Well, you had plenty of time to look up your records and get the answers. You knew you had been under subpoena to come down here.

Mr. OVERMAN. That is right.

The CHAIRMAN. You didn't look it up and yet you had been interrogated about it. Now you say you don't have your records with you. Is that the correct situation?

Mr. OVERMAN. Well, I think the correct situation is just what Mr. Hendrix said.

The CHAIRMAN. What is wrong with what I said?

Mr. OVERMAN. Not a word.

The CHAIRMAN. All right; let's get it correct.

Mr. Hendrix, I hand you a photostatic copy of a check dated July 1, 1958, in the amount of \$10,000, from Chi-East Trucking Co., Inc., made payable to Mutual Trucking Co., and I hand you a second one dated September 23, 1958, in the amount of \$11,823.67, drawn in favor of Mutual Trucking Co. by Chi-East Trucking Co., Inc.

I will ask you to examine these checks. They seem to also bear your endorsement on the back. I will ask you to examine these photostatic copies and state if you identify them.

(The documents were handed to the witness.)

Mr. HENDRIX. Well they bear my endorsement. Of course they are endorsed by the Mutual Trucking Co.

The CHAIRMAN. By you?

Mr. HENDRIX. Yes.

The CHAIRMAN. In your handwriting?

Mr. HENDRIX. Yes.

The CHAIRMAN. They are checks then, that you received or the Mutual Trucking Co. received, and which you endorsed for Mutual Trucking Co. from Chicago-East Co?

Mr. HENDRIX. That is correct.

The CHAIRMAN. They may be made exhibit 79-A and B in the order of their dates.

(Documents referred to were marked "Exhibits 79-A and 79-B" for reference and will be found in the appendix on pp. 19841-19845.)

Mr. KENNEDY. Now these are checks to the Mutual Trucking Co.?

Mr. HENDRIX. Yes.

Mr. KENNEDY. And they are dated 1958?

Mr. HENDRIX. Yes, that is right.

Mr. KENNEDY. Was the Mutual Trucking Co. in existence in 1958?

Mr. HENDRIX. Yes, it was liquidated at some date in 1958.

Mr. KENNEDY. When did the Mutual Trucking Co. go out of existence?

Mr. SCHULTZ. I was told it was dissolved in September 1957 by Mr. Michael, their attorney.

Mr. KENNEDY. If the company was dissolved in 1957 why were two checks amounting to \$21,823 issued to them in July 1958 and September of 1958, if the company had gone out of existence 7 months earlier?

Mr. HENDRIX. It had gone out of existence that long ago. They had quit the hauling business, but as far as the liquidation was concerned, it was not completed until some time in 1958. When Mutual quit business Chi-East took over Mutual's automotive equipment, their trucks.

Mr. KENNEDY. What happened to this money?

Mr. HENDRIX. It went into the bank for the Mutual Trucking Co., I am sure. It is so endorsed.

Mr. KENNEDY. What happened to the banking account of the Mutual Trucking Co?

Mr. HENDRIX. It was liquidated to the stockholders.

Mr. KENNEDY. Who were the stockholders?

Mr. HENDRIX. The three of us.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Senator Ervin.

Senator ERVIN. What is Midwest supposed to do now?

Mr. HENDRIX. We are an ICC certificated common carrier.

Senator ERVIN. Midwest is the company which has no trucks, is it?

Mr. HENDRIX. Ever since we have been in business, 1931, we have used the services of independent contractors.

Senator ERVIN. In other words, Midwest is in effect a freight forwarder.

Mr. HENDRIX. No; we are not. We are a common carrier.

Senator ERVIN. But you hire somebody else to do your carrying for you?

Mr. HENDRIX. We contract with independent contractors.

Senator ERVIN. Now I have some difficulty understanding why a company which has no drivers should have a union contract if you employ what in effect is an independent contractor to do your hauling.

Mr. HENDRIX. The union has always required, I think, a union contract to be executed by anyone who has an ICC certificate.

Senator ERVIN. But there is nobody employed by you who is covered by the union contract; is that right?

Mr. HENDRIX. That is correct.

Senator ERVIN. You have a contract which covers nobody?

Mr. HENDRIX. Well, the independent contractors, Senator, are required to belong to the union; so that possibly it covers those men.

Senator ERVIN. The only men you have employed in Midwest are executives, isn't that so? The only employees which Midwest has consists of executives?

Mr. HENDRIX. No; we have an office staff and we have drivers, city drivers.

Senator ERVIN. Then you do have drivers?

Mr. HENDRIX. Yes. No over-the-road drivers.

Senator ERVIN. But your drivers do not operate themselves in interstate commerce?

Mr. HENDRIX. I am sorry.

Senator ERVIN. Your drivers are local drivers?

Mr. HENDRIX. That is right.

Senator ERVIN. How many of them are there?

Mr. HENDRIX. Seventeen.

Senator ERVIN. Does Chi-East have a certificate from the Interstate Commerce Commission?

Mr. MATTSON. No.

Senator ERVIN. Do you have a certificate from your State?

Mr. MATTSON. No.

Senator ERVIN. Yet you are operating an over-the-road business?

Mr. MATTSON. That is correct.

Senator ERVIN. And you have no union contract?

Mr. MATTSON. No, sir.

Senator ERVIN. You are a nonunion company?

Mr. MATTSON. If you put it that way, yes.

Senator ERVIN. But your individual employees belong to the union?

Mr. MATTSON. That is right.

Senator ERVIN. Mr. Hendrix, you said something about the fifth stockholder being the United States Freight something?

Mr. HENDRIX. That is correct.

Senator ERVIN. Is that a corporation?

Mr. HENDRIX. It is.

Senator ERVIN. Who are the stockholders of it?

Mr. HENDRIX. It is on the New York big board. There are thousands, probably. I wouldn't know.

Senator ERVIN. That is all.

Mr. KENNEDY. Just to get it clarified, the contract we are talking about, your contract for the over-the-road drivers is a contract with local 710; is that right?

Mr. HENDRIX. I believe that is right.

Mr. KENNEDY. That is the situation where the Chi-East has no contract, but does have drivers; Midwest does have a contract, but no drivers?

Mr. HENDRIX. That is correct.

Mr. KENNEDY. Who is the business agent, who is the local official that handles that contract?

Mr. MATTSON. The business agent?

Mr. KENNEDY. Yes.

Mr. MATTSON. For 710?

Mr. KENNEDY. Yes.

Mr. MATTSON. Tom Keegan.

Mr. KENNEDY. That is all.

The CHAIRMAN. Gentlemen, do you want to clear up anything here that seems unclear at the moment?

Mr. HENDRIX. There are a lot of questions, but without records we cannot clear up anything here.

Mr. KENNEDY. We don't have those records.

The CHAIRMAN. I understand you have been interrogated about this matter before you were subpoenaed to be here.

Mr. HENDRIX. That is not true. I heard nothing about it.

The CHAIRMAN. I said you had been interrogated. Hadn't some member of the staff questioned you about these matters?

Mr. HENDRIX. They had not.

The CHAIRMAN. I asked some of you if they had. Since you were so closely interwoven, I thought maybe the same thing had been said to all of you. Maybe not.

Mr. KENNEDY. We asked the attorney to bring the records in.

Mr. HERNLY. Mr. Kennedy, that is not a correct statement.

Mr. KENNEDY. You were not asked to bring any records in?

Mr. HERNLY. No, sir.

Mr. KENNEDY. Mr. Schultz, did you ask him to bring the records in?

Mr. SCHULTZ. Yes; I did.

The CHAIRMAN. They don't have them here.

We have a situation where it looks like one company has no employees, it has a labor contract. The other company that has the employees who do the work doesn't have the contract. We have this thing where you have three or four companies. It seems to me that you three men own the whole thing.

Mr. OVERMAN. That is not true.

The CHAIRMAN. How much do you lack owning it?

Mr. OVERMAN. Owning what?

The CHAIRMAN. Chi-East.

Mr. OVERMAN. We three do own Chi-East.

The CHAIRMAN. How much do you lack owning this other one, Midwest?

Mr. OVERMAN. Not one penny.

The CHAIRMAN. You just operate it?

Mr. OVERMAN. I do not operate it.

The CHAIRMAN. Are you not the vice president of it?

Mr. OVERMAN. I am, yes.

The CHAIRMAN. You are an officer in it?

Mr. OVERMAN. I am.

The CHAIRMAN. What business do you have being an officer if you have no interest in it?

Mr. OVERMAN. That I don't know.

The CHAIRMAN. I don't know either.

Mr. HERNLY. Mr. Chairman, may I be heard just a minute on this question of whether I had been requested to bring certain records in here?

The CHAIRMAN. Yes. Ordinarily we would swear you. If you want to make a brief statement I will listen to you.

Mr. HERNLY. I just want to say this, sir, on a Saturday evening I think, of last week, Mr. Schultz called me and asked me if I would arrange to have Mr. Hendrix here on a certain date. Out of a clear blue sky he requested that I see if Hendrix could not bring with him certain records.

The CHAIRMAN. When was that now?

Mr. HERNLY. This was Saturday night about 6 o'clock. Now Mr. Hendrix had written you, sir, a personal letter about a week ago requesting relief from appearing before this committee this week because he and his family were going on a vacation on July 1 in Canada which had been planned for over 6 months.

When Mr. Schultz pulled this business on me on Saturday night at 6 o'clock I told Mr. Schultz I thought it was a most unreasonable request to ask of my client Mr. Hendrix, stop by Toledo, Ohio, enroute from a thousand mile plane trip to appear here and get something which could have been asked of him when he was in his office and he could have made that investigation.

After making that statement Mr. Schultz agreed that it was an unreasonable request, and I have heard nothing more from Mr. Schultz pressing the matter.

The CHAIRMAN. All right. We don't have the records here. You were asked last Saturday if you could come by and pick them up. Apparently from then until Friday you thought it was inconvenient to do so and they are not here.

Mr. HERNLY. They were in Toledo, sir.

The CHAIRMAN. Anyway, I guess they will show this same money that has been testified to here. Is there anything further?

Senator ERVIN. I would like to ask one question.

The CHAIRMAN. Do you actually have to have those records? I will get them here.

Mr. KENNEDY. No, I would just like to get the answers to these questions.

Senator ERVIN. Is this corporation formed under the laws of Ohio?

Mr. MATTSON. Chi-East?

Senator ERVIN. Midwest.

Mr. HENDRIX. The laws of Ohio.

Senator ERVIN. Does the law of Ohio permit a man to be an officer of a corporation when he is not a stockholder?

Mr. HENDRIX. I am sure that is no requirement.

The CHAIRMAN. Do you get any pay from Midwest for being an officer?

Mr. OVERMAN. I do.

The CHAIRMAN. What do you do to earn your pay?

Mr. OVERMAN. I do whatever is necessary.

The CHAIRMAN. What is necessary?

Mr. OVERMAN. Well, the generalities of any company's business in my locality.

The CHAIRMAN. Thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Stone.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. STONE. I do, sir.

The CHAIRMAN. All right, sir, be seated.

TESTIMONY OF NEAL STONE

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. STONE. Neal Stone. I am a funeral director, of Walter B. Cooke, of New York. I reside in New York City.

The CHAIRMAN. Thank you very much. Do you waive counsel?

Mr. STONE. Yes, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. With respect to the last witness, although there is some confusion as to their operation which we cannot straighten out, what was established is that the contract with the trucking company was not enforced. No layover, no breakdown, no meal allowances, no holiday pay, an open and obvious violation of the contract.

The CHAIRMAN. I thought they said they did pay holiday pay.

Mr. KENNEDY. They paid vacations but no layover, no breakdown, no meal allowance, no lodging, as specifically covered by the contract with the union.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Stone, you were employed as a truckdriver for the Chi-East Trucking Co.?

Mr. STONE. Yes, sir.

Mr. KENNEDY. From October 1952 to July 1957; is that right?

Mr. STONE. Yes, sir.

Mr. KENNEDY. During that period of time you were a member of Local 710 of the Teamsters Union in Chicago?

Mr. STONE. Yes, sir.

Mr. KENNEDY. Did you ever receive any fringe benefits while you were employed, such as layover, breakdown time, meals or lodgings?

Mr. STONE. I didn't, and neither did any of the other drivers.

The CHAIRMAN. You were an employee of Chi-East?

Mr. STONE. I learned later that I was an employee of Chi-East when I drew my first check. When I applied for the job, I thought I was being hired by Midwest.

The CHAIRMAN. You hired to one company and found yourself working for the other?

Mr. STONE. I really to this day don't know who I was working for, other than I drew a check from Chi-East.

Mr. KENNEDY. When the drivers would put in grievances to collect payments to them under these fringe benefits, would they receive the full payment?

Mr. STONE. Well, I don't think any of them received it. The other drivers, from what I heard, I don't believe anyone got a thing.

Mr. KENNEDY. Maybe it would be well if Mr. Pratt came around, too, Mr. Chairman. He was a driver.

The CHAIRMAN. Come forward.

In the meantime, did you put in some claims, some grievance claims?

Mr. STONE. No, I didn't, sir, because if you put in a claim, you didn't work there any more.

The CHAIRMAN. You found that out and played it safe?

Mr. STONE. Yes, sir. The morning I applied for a job, I was sent to the union, made a union member, given my book and entitled to all the privileges of the union. I thought the day I left the company I would collect, and that was the general consensus of opinion of all the drivers.

The CHAIRMAN. You would be able to collect?

Mr. STONE. Yes, sir. But to go over and ask Mr. Keegan or the union to pay me would be ridiculous, because you just wouldn't work there any more.

The CHAIRMAN. Be sworn.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PRATT. I do.

TESTIMONY OF GROWMAN PRATT

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. PRATT. My name is Growman Pratt; I live at Box 16, Straughn, Ind. I am a parttime salesman for the Adams Paint Co., out of Cleveland, Ohio.

The CHAIRMAN. What former occupation did you have?

Mr. PRATT. Truckdriver.

The CHAIRMAN. For whom?

Mr. PRATT. Midwest Haulers.

The CHAIRMAN. During what period of time?

Mr. PRATT. From June 23, 1955, to August 16, 1957.

Mr. KENNEDY. Mr. Pratt, did you put in any grievances?

Mr. PRATT. Yes, sir; I did.

Mr. KENNEDY. To try to collect for the fringe benefits?

Mr. PRATT. Yes, sir.

Mr. KENNEDY. Did you collect?

Mr. PRATT. I collected for 1 year's back holiday pay and collected for 30 days back layover and breakdown time, which was approximately 17 hours.

Mr. KENNEDY. What about the rest of the grievances, the rest of the money?

Mr. PRATT. I haven't collected another cent other than that.

Mr. KENNEDY. Did you have any conversation with any of the company officials in connection with the grievances?

Mr. PRATT. Yes, sir; Mr. Overman.

Mr. KENNEDY. What conversation did you have with him?

Mr. PRATT. Do you mean at the time I was trying to collect it?

Mr. KENNEDY. Yes.

Mr. PRATT. Well, I made three trips from the union office to the Midwest office before I ever got any appreciation whatsoever, and after the last trip I made Mr. Keegan, the business agent, he called Mr. Overman and told him to have a check made out for me for a year's back holiday pay, when I got back to the office.

So when I come back into the office, Mr. Overman called me in and he asked me if I was still going to go through and collect it. He said, "Well, I am after your ass now; the first crooked move you make, I am going to fire you."

Mr. KENNEDY. Would you repeat that?

Mr. PRATT. When I went in to—when I got back from the union office, to Mr. Overman, he called me in to talk to me and asked me if I wanted to go ahead and go through with it.

The CHAIRMAN. Go through with what?

Mr. PRATT. Collecting holiday pay. I told him I was. He said, "Well, I am after your ass, and the first crooked move you make, that is it." So in about a month and a half or 2 months after that, I was fired.

Mr. KENNEDY. What were you fired for?

Mr. PRATT. For having a late load of freight into Louisville. I didn't know and no one else knew that they were supposed to be working on Saturday morning. That was in order that I could get home over the weekend. I still didn't know it until I got back into Chicago, I think it was, the Tuesday of the following week.

I was called into the office and said I was fired for not having the freight in on Saturday morning.

Mr. KENNEDY. You were never told to have it in on Saturday?

Mr. PRATT. That is right.

Mr. KENNEDY. So Tuesday you were fired for not having the freight in?

Mr. PRATT. That is right.

Mr. KENNEDY. So he was able to fire you?

Mr. PRATT. That is correct.

Mr. KENNEDY. You tried to collect your grievances when you left their employment?

Mr. STONE. Yes, sir. I just asked for the 27 paid holidays that I was not paid for, because as I explained to you, my logbook had been in violation the entire time I worked for the company.

Mr. KENNEDY. How was your logbook in violation?

Mr. STONE. Well, in plain words, we had been lying on it all the time I was working there.

Mr. KENNEDY. Were all the drivers lying?

Mr. STONE. Well, it is hard to say all of them were lying, but the majority of them were, I imagine.

Mr. KENNEDY. For what reason were they lying?

Mr. STONE. In order to make a living, it would be necessary. When you would drive in a terminal, and lay over 3 or 4 days, you are supposed to log it that way, and then you went to the next terminal, you would lay over for 8 hours.

Mr. KENNEDY. So you logged this—

Mr. STONE. That is correct; my records never showed my being paid for the holidays. First I went to Mr. Mattson, and he told me to do whatever I wanted to do about it, and then I went to Mr. Keegan, and that is where I learned the type of man I was dealing with. He told me to "Go back to Mr. Overman and tell him to pay every cent he owes you."

I returned back to Mr. Overman, only seven blocks away, and evidently he was talking to Mr. Keegan, and he said he would send me back. I went back to Mr. Keegan and he completely, changed, that I could only file a grievance for 30 days.

Mr. KENNEDY. Did somebody tell you to write to the Central States Drivers Council?

Mr. STONE. Yes, sir, while I was employed there, I was given a card that I was a member of the Central States and I would be entitled to their services in any trouble I had.

Mr. KENNEDY. Did you write to the Central States Drivers Council?

Mr. STONE. Yes, I did, sir.

Mr. KENNEDY. Will you identify that letter?

Mr. STONE. I would like to add that I went to the Central States before I wrote this letter and the gentleman I spoke with said that Jimmy Hoffa wanted to clean up locals like that, and to put in writing what I told him. That is what is contained in the letter you speak of.

The CHAIRMAN. I hand you a photostatic copy of a letter dated July 31, 1957, shown to be from Neal J. Stone to Central States Drivers Council.

I ask you to examine it and state if that is a photostatic copy of the letter that you referred to.

(The document was handed to the witness.)

Mr. STONE. Yes, sir; it is, sir.

The CHAIRMAN. It may be made exhibit No. 80.

(Letter referred to was marked "Exhibit No. 80" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. That was evidently, Mr. Chairman, from the record, forwarded on to Mr. Hoffa, and we have here a letter that Mr. Hoffa then wrote Mr. O'Brien, who is head of that local, which Mr. Sheridan can identify.

The CHAIRMAN. You have been sworn, have you, Mr. Sheridan?

TESTIMONY OF WALTER J. SHERIDAN—Resumed

Mr. SHERIDAN. Yes, I have.

The CHAIRMAN. I present to you a photostatic copy of a letter. State if you identify it and, if so, how you procured it.

Mr. SHERIDAN. This is a letter dated August 8, 1957, from James R. Hoffa to Mr. Sandy O'Brien. It was obtained from the correspondence files of local 299.

The CHAIRMAN. The letter may be made exhibit No. 80-A.

(Letter referred to was marked "Exhibit No. 80-A" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. It is dated August 8, 1957. It says:

DEAR SIR AND BROTHER: Enclosed find copy of complaint filed by Neal J. Stone, a member of local 710. Am returning this correspondence to you without having taken any action.

Fraternally yours,

LOCAL UNION No. 299,
JAMES R. HOFFA.

The CHAIRMAN. So it did come to Hoffa's attention, according to this letter.

Mr. STONE. Yes, sir. I never received a copy of that letter.

Mr. KENNEDY. That is back when Sandy O'Brien was head of the local.

Mr. STONE. But Mr. O'Brien had a copy of my letter.

The CHAIRMAN. O'Brien had a copy of your letter?

Mr. STONE. Yes, sir.

The CHAIRMAN. And he was head of the local?

Mr. STONE. Yes, sir.

The CHAIRMAN. And this letter is the only complaint that you had filed?

Mr. STONE. Yes, sir.

The CHAIRMAN. And so this letter, from Mr. Hoffa to Mr. O'Brien, referring to your complaint, is the complaint referred to in your letter which was made exhibit No. 80?

Mr. STONE. Yes, sir.

The CHAIRMAN. And Mr. Hoffa sent it back with no action. Did you ever get your money?

Mr. STONE. I never got a dime, sir.

The CHAIRMAN. You have never been paid yet what the contract calls for?

Mr. STONE. I never got a dime.

The CHAIRMAN. And Mr. Hoffa brushed it off in that fashion.

Mr. STONE. Yes, sir.

Mr. KENNEDY. How much do you think was involved in the 4-year period for all of your claims, not just holidays?

Mr. STONE. Well, sir, as I told you earlier, I didn't put a claim in because Mr. Keegan has allowed the situation to exist so long and it has been going on years before, that I was reconciled to get 27 paid holidays. So I don't know.

Mr. KENNEDY. How much was it for the 27 paid holidays?

Mr. STONE. Well, 27 paid holidays runs roughly \$450 or \$500.

The CHAIRMAN. You were willing to settle just for that?

Mr. STONE. Yes, sir; because there would be no question there.

The CHAIRMAN. There would be no question, you worked on those holidays; there would be no question but that they owed you for them?

Mr. STONE. That is right.

Mr. KENNEDY. Or you were entitled to it under the contract?

Mr. STONE. Well, as you said, I was entitled to so much more it was silly to ask for it because they wouldn't even pay this small amount.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. Thank you very much, gentlemen.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Keegan.

The CHAIRMAN. Mr. Keegan, be sworn.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KEEGAN. I do.

**TESTIMONY OF THOMAS KEEGAN, ACCOMPANIED BY COUNSEL,
LEO SEGALL**

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. KEEGAN. My name is Thomas Keegan. I reside in the city of Chicago. I am business representative of Local 710 of the Highway Drivers and Dockmen's Union, and have been for the past 22 years.

The CHAIRMAN. You have counsel?

Mr. KEEGAN. I do, sir.

The CHAIRMAN. Counsel, identify yourself.

Mr. SEGALL. My name is Leo Segall, 130 North Wells Street, Chicago, Ill.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Keegan, how long have you been an official of the Teamsters Union?

Mr. KEEGAN. I stated, Mr. Kennedy, 22 years.

Mr. KENNEDY. Are you familiar with the situation in connection with Chi-East Co. and the grievances that have been filed?

Mr. KEEGAN. On advice of counsel, I respectfully decline to answer the questions and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

The CHAIRMAN. Do you mean to imply that you have been on this ratting and cheating on these hardworking people and you can't give a truthful answer to a question like that without self-incrimination?

Mr. KEEGAN. Mr. Chairman, I honestly believe that if I am forced to answer the question I may be forced to be a witness against myself in violation of my rights and privileges under the fifth amendment of the U.S. Constitution.

The CHAIRMAN. Well, I can well appreciate it. I am not saying you are guilty or not guilty, but I can certainly appreciate that anybody who would cheat and rob and impose on and misuse working people who drive these trucks, like some of these have testified to here

today, I can certainly appreciate that it would be self-incriminating if he admitted that he had been a party to such transactions. I can appreciate that, sir.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Keegan, will you give us any explanation as to why these drivers were not able to collect their grievances?

Mr. KEEGAN. May I consult with my counsel?

(The witness conferred with his counsel.)

Mr. KEEGAN. Mr. Kennedy, would you repeat that question?

Mr. KENNEDY. Could you give us any explanation as to why the employees were unable to collect their grievances?

Mr. KEEGAN. On advice of counsel I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

Mr. KENNEDY. Let me ask you, are you familiar with the cent-and-a-half arrangement that was made with the Riss Co.?

(The witness conferred with his counsel.)

Mr. KEEGAN. On advice of counsel I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

The CHAIRMAN. Do you know what union-busting tactics are?

Mr. KEEGAN. May I consult?

The CHAIRMAN. Yes; you may ask him.

(The witness conferred with his counsel.)

Mr. KEEGAN. Mr. Chairman, I honestly believe that if I am forced to answer the question I may be forced to be a witness against myself in violation of my rights and privileges under the fifth amendment of the U.S. Constitution.

The CHAIRMAN. We hear a whole lot about labor baiters and union busters and all of that propaganda when we try to go in here and get some legislation to protect these people who work.

I want to tell you who the union busters are in this country. It is the fifth amendment artists who are officers in labor unions and who have responsibility and who come in here and take the fifth amendment to shield and hide the improper practices and impositions they have made against union members. If the elimination of that type of unionism in this country is union busting, then I hope we do a good job of busting, because it is a disservice to every honest workingman in this country to have officers who can't come before a tribunal like this and state the facts without self-incrimination, when the men have been imposed upon and robbed of their rights and robbed of their income, robbed of their wages as these workingmen have been, according to the testimony here before this committee.

The real union busters are the cheats and the frauds that are imposing themselves on union members today.

Is there anything, Senator?

Senator ERVIN. What was your official position?

Mr. KEEGAN. Business representative.

Senator ERVIN. As a business representative was it not your union obligation to see that the grievances of these men were processed?

Mr. KEEGAN. Senator, would you repeat that question?

Senator ERVIN. I say, was it not your duty and your obligation as a business agent of your local to see that the grievances of these men,

the members of your local, against their employers, were processed and brought to a just end according to the terms of the contract?

Mr. KEEGAN. Mr. Senator, on advice of counsel I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself?

Senator ERVIN. Is it not the duty of a business agent—I am not asking you about yourself—but is it not the duty of the business agent under the constitution and bylaws of your union, to process and prosecute grievance claims of the members of the union against the employers?

Mr. KEEGAN. Mr. Senator, on advice of counsel, I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

Senator ERVIN. So you are making a solemn oath to the effect that if you tell this committee about the laws of your union that any testimony you might give about the laws of your union in respect to grievances would tend to incriminate you in the commission of some criminal offense. Is that what you are solemnly swearing?

Mr. KEEGAN. Mr. Senator, I honestly believe that if I am forced to answer the question I may be forced to be a witness against myself in violation of my rights and privileges under the fifth amendment of the U.S. Constitution.

Senator ERVIN. How long have you been business agent of your local?

(The witness conferred with his counsel.)

Mr. KEEGAN. I previously answered the question. I will be again happy to answer it—22 years, sir.

Senator ERVIN. Have you drawn a salary during those 22 years for your work in that office?

Mr. KEEGAN. On advice of counsel I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

Senator ERVIN. So you think it would incriminate you as a union officer to testify as to whether you drew a salary from union funds for work you performed for the local? Is that what you are solemnly swearing to?

Mr. KEEGAN. Senator, I did not quite follow you. Will you repeat that, please?

Senator ERVIN. I ask you if you are swearing to this committee, that is stated upon your oath that if you divulged how long you had been drawing a salary from your local, that the divulgence of that fact would tend to incriminate you in the commission of some criminal offense?

Mr. KEEGAN. Mr. Senator, I honestly believe that if I am forced to answer the question I may be forced to be a witness against myself in violation of my rights and privileges under the fifth amendment of the U.S. Constitution.

Senator ERVIN. Well, all the facts I can draw from it is although you have eaten the bread that these men have put in your mouth that when it came time for you to look after their interest, instead of doing so you have betrayed them.

Do you want it left standing like that?

Mr. KEEGAN. Mr. Senator, I honestly believe that if I am forced to answer the question that was asked me I may be forced to be a

witness against myself in violation of my rights and privileges under the fifth amendment of the U.S. Constitution.

Senator ERVIN. That is all.

Mr. KENNEDY. I might say for the record, Mr. Chairman, that Mr. Keegan received approximately \$12,000 salary and another \$5,500 in commissions. This is the local that gives commissions.

Senator ERVIN. In other words, he receives possibly \$17,500 a year in his official capacity which he has occupied for the last 22 years and when he is called on to give an account of his stewardship he says that if he does so, that any disclosure he might make would tend to show that he had committed a criminal offense.

Now, that is a shocking thing for a man who occupies that position, drawing that salary out of the very men whom he is supposed to protect.

Mr. KENNEDY. The president of the local is Mr. O'Brien, Senator. He is a vice president, a national vice president of the Teamsters and he receives a salary and commissions of approximately \$90,000.

The CHAIRMAN. You mean the president of this local, for whom this man is a business agent, is vice president of the international and draws about \$90,000 a year?

Mr. KENNEDY. From this local. He has appeared before the committee and taken the fifth amendment also.

The CHAIRMAN. Well, there are no words to describe such characters.

All right, you may stand aside.

Call the next witness.

Mr. KENNEDY. Briefly, Mr. Chairman, Gerald Gotsch worked up some of the violation of the ICC regulation of this company.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GOTSCH. I do.

TESTIMONY OF GERALD G. GOTSCH

The CHAIRMAN. State your name, your present occupation, and how long you have been working with this committee.

Mr. GOTSCH. Gerald G. Gotsch. I reside in Chicago, Ill. I am a member of the General Accounting Office, attached to the committee.

The CHAIRMAN. How long have you been attached to the committee?

Mr. GOTSCH. A little over a year, sir.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. Mr. Gotsch, we have had testimony from some of the drivers that in order to make a reasonable salary that they had to violate the ICC regulations. From an examination of the books that they kept and comparing them to the records that were submitted to the ICC, do we find in fact there were many violations?

Mr. GOTSCH. We do.

Mr. KENNEDY. Give us an example.

Mr. GOTSCH. Mr. Charles Hartung, for example, left Chicago on June 5 at 10 p.m. He logged in on his daily log, arrived in Cincinnati at 6:30 a.m. on the 6th of June. His driver's trip report also showed him arriving.

At that point he picked up a load from Cincinnati and left at 2 p.m. and his daily logbook for ICC purposes shows him laying over in Cincinnati.

He arrived in Chicago with that load at 10 p.m. on June 6. He left Chicago again with a load on June 8, went up to St. Louis, Mo., arriving there at 3 a.m. His log, his daily log, for ICC purposes, still indicating a layover in Cincinnati.

Therefore, he had to bring himself over to St. Louis; so for daily log purposes he showed a phantom run from Cincinnati to St. Louis in order to bring his driver's daily log into agreement with his trip reports.

Mr. KENNEDY. That is followed in a number of cases?

Mr. GOTSCH. Yes.

Mr. KENNEDY. Mr. Gotsch has done a very thorough job on all of these, Mr. Chairman, and, of course, did a good deal of the work in the restaurant hearing.

I might say we inquired of the ICC regarding the Chi-East Co. and they never heard of the company.

The CHAIRMAN. What it is doing is actually operating on the permit of Midwest.

Mr. KENNEDY. That is correct. This is set up as some kind of tax operation and also—I don't know what it is.

The CHAIRMAN. The principal thing is to avoid having its members, its employees in the union, that is one of the things.

Mr. KENNEDY. May I call another witness?

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Hoffa stated here before the committee, Mr. Chairman, specifically that the contracts in Michigan were the highest contracts of any contracts in the country.

I would like to call three witnesses, Barbara Barnes, Leonard Hempel, and Mary Kirnberger, in connection with some problems and difficulties they have had.

The CHAIRMAN. Come around, please.

Will you be sworn?

Do you and each of you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HEMPEL. I do.

Mrs. KIRNBERGER. I do.

Miss BARNES. I do.

The CHAIRMAN. Be seated.

TESTIMONY OF BARBARA BARNES, MARY KIRNBERGER, AND LEONARD HEMPEL

The CHAIRMAN. Will the witness on my left give your name, your place of residence, and your business or occupation?

Mr. HEMPEL. Leonard Hempel, 538 East George, Hazel Park, Mich. Material cutter for Allen Industries.

The CHAIRMAN. The lady in the center?

Mrs. KIRNBERGER. Mrs. Mary Kirnberger, 13136 Ten Mile Road, Detroit, Mich. I am an edge turner for door panels.

Miss BARNES. Barbara Barnes, 20240 Concord, Detroit, Mich.; machine operator, Allen Industries, Detroit, Mich.

The CHAIRMAN. Do each of you waive counsel? You don't want a lawyer?

Miss BARNES. That is right.

Mr. KENNEDY. You have been employed at the Donan Co.?

Miss BARNES. Yes.

Mr. KENNEDY. And the two other witnesses also?

Mrs. KIRNBERGER. Yes.

Mr. HEMPEL. Yes.

Mr. KENNEDY. In May of 1956 did Mr. Ben Stone, president and owner of this company, call you into his office?

Miss BARNES. Yes.

Mr. KENNEDY. How many employees were there?

Miss BARNES. Approximately 20.

Mr. KENNEDY. What did he state to you at that time?

Miss BARNES. He stated he had to have a union shop.

Mr. KENNEDY. What were you going to have to do?

Miss BARNES. Well, when he called us in there he said he was not forcing us to join the union, but he had to have a union shop or we would all be out.

Mr. KENNEDY. Did he say he was bringing an organizer in to talk to you?

Miss BARNES. Yes.

Mr. KENNEDY. Did that organizer come in, Mr. Frank Yezbec, Y-e-z-b-e-c, a business agent for Local 337 of the Teamsters Union?

Miss BARNES. Yes.

Mr. KENNEDY. Was there a request at that time to have some other union come in and talk to you?

Miss BARNES. Yes.

Mr. KENNEDY. What did he say about that?

Miss BARNES. Mr. Stone said one was as good as the other.

Mr. KENNEDY. Isn't that ordinarily something for the employees to decide, not the employer?

Miss BARNES. I would think so; yes.

Mr. KENNEDY. Did you all sign up in the union?

Miss BARNES. Yes; we did.

Mr. KENNEDY. Did you ever receive any service?

Miss BARNES. I wouldn't call it service; no.

Mr. KENNEDY. Was he able to obtain any raises for you? How much were you making?

Miss BARNES. Before the union contract?

Mr. KENNEDY. Yes.

Miss BARNES. \$1.25 an hour.

Mr. KENNEDY. Just prior to the time the union came in there, you were able to get a 10-cent raise?

Miss BARNES. To the best of my recollection; yes.

Mr. KENNEDY. Then the union came in?

Miss BARNES. That is right.

Mr. KENNEDY. Then you continued to make just \$1.35 an hour?

Miss BARNES. We were making \$1.35 an hour and a nickel every year.

Mr. KENNEDY. A nickel raise every year?

Miss BARNES. Yes.

Mr. KENNEDY. Is that under the contract?

Miss BARNES. Yes.

Mr. KENNEDY. With the Teamsters?

Miss BARNES. Yes.

Mr. KENNEDY. When Mr. Yezbec came in there, did he just announce you were all members of local 337?

Miss BARNES. No; he had told us it would cost us \$10 to join the union.

The CHAIRMAN. \$10?

Miss BARNES. Yes. Then insurance and stuff. Then he said he forgot to bring the cards.

At the second meeting Mr. Yezbec brought the cards, and we signed up with the union.

Mr. KENNEDY. Were you dissatisfied with the fact that you got no service?

Miss BARNES. We certainly were.

Mr. KENNEDY. Did you ever see Mr. Yezbec around after you signed with the union?

Miss BARNES. The next time I saw Mr. Yezbec was when we were in our new plant. I don't recall how long it was.

Mr. KENNEDY. Did he ever give any service to any other employees?

Miss BARNES. Not what I would call service; no.

Mr. KENNEDY. Did you decide to get out of the union?

Miss BARNES. Yes.

Mr. KENNEDY. What happened?

Miss BARNES. We held a meeting March 15, 1958.

Mr. KENNEDY. Why did you decide to withdraw from the union?

Miss BARNES. Because we did not feel we had any representation from the union because of corruption.

Mr. KENNEDY. How did you go about getting out of the Teamsters Local 337?

Miss BARNES. We consulted an attorney. Then they had a vote by the people, a disaffiliation vote. There were 70 members present and all 70 voted to be out.

Mr. KENNEDY. How many voted?

Miss BARNES. Seventy.

Mr. KENNEDY. What was the vote to withdraw from the Teamsters?

Miss BARNES. Seventy voted to be disaffiliated.

Mr. KENNEDY. How many voted to stay in the Teamsters?

Miss BARNES. None.

Mr. KENNEDY. Isn't it correct, you then received a form letter from Bert Brennan?

Miss BARNES. That is right.

Mr. KENNEDY. A mimeographed letter telling you that you had best be careful if you withdraw from local 337?

Miss BARNES. That is right.

The CHAIRMAN. What is this?

Mr. KENNEDY. This is the original request to get out of the Teamsters, and this is the form letter which Mr. Brennan sent.

The CHAIRMAN. I hand you here a photostatic copy of what is entitled "Resolution of Meeting of Membership of Teamsters Local No. 337, Workers at the Donan Co.," and ask you to examine it and state if you identify that document, what it is.

(The document was handed to the witness.)

Miss BARNES. Yes; I recognize it.

The CHAIRMAN. What is it?

Miss BARNES. It is the petition that we had sent to the employer and the union.

The CHAIRMAN. That is the resolution you folks adopted to try to get out of the Teamsters Union?

Miss BARNES. Yes.

The CHAIRMAN. It may be made exhibit No. 81.

(Petition referred to was marked "Exhibit No. 81" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Then Mr. Kennedy asked you regarding a letter that was received from Mr. Bert Brennan, addressed to the members of your local. Did you ever see that letter?

Miss BARNES. Yes; I did.

The CHAIRMAN. I hand you here what purports to be the letter, and it is dated March 20, 1958. I ask you to examine that and state if that is the original letter from Mr. Brennan about which you have testified.

(The document was handed to the witness.)

Miss BARNES. Yes; it is.

The CHAIRMAN. It may be made exhibit No. 81-A.

(Letter referred to was marked "Exhibit No. 81-A" for reference and may be found in the files of the select committee.)

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. So you disaffiliated?

Miss BARNES. Yes; we did.

Mr. KENNEDY. Did you have an election supervised by the National Labor Relations Board?

Miss BARNES. Yes; we did.

Mr. KENNEDY. Could I have Mr. McShane identify that, Mr. Chairman?

The CHAIRMAN. Have you been sworn?

Mr. McSHANE. No, sir.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. McSHANE. I do.

TESTIMONY OF JAMES J. P. McSHANE

The CHAIRMAN. State your name and your connection with this committee.

Mr. McSHANE. My name is James McShane. I reside in New York City. I am an investigator on the staff of this committee.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. McShane, have you examined the records of the National Labor Relations Board to determine whether there was an election on disaffiliation?

Mr. McSHANE. I have, sir.

Mr. KENNEDY. And do you have the record of that?

Mr. McSHANE. I have. It is marked "Case No. 7-RC-3709, December 3, 1958." There were 96 eligible voters—4 did not vote, 2 were challenged, and the other 90 voted 90 to 0 to be disaffiliated from 337 and form their own independent union to be known as Donan Employees Council.

TESTIMONY OF BARBARA BARNES, MARY KIRNBERGER, AND
LEONARD HEMPEL—Resumed

Mr. KENNEDY. Is that correct? Is that what happened?

Miss BARNES. Yes; it is.

Mr. KENNEDY. You elected a president of your own independent union?

Miss BARNES. We did.

Mr. KENNEDY. Who is president?

Mrs. KIRNBERGER. I am president.

Mr. KENNEDY. Did you become president?

Mrs. KIRNBERGER. Yes.

Mr. KENNEDY. Did you become an officer?

Mr. HEMPEL. I am a board member.

Mr. KENNEDY. Did you become an officer?

Miss BARNES. I am vice president.

Mr. KENNEDY. You are independent at the present time?

Miss BARNES. Yes.

Mr. KENNEDY. After you got out of the Teamsters, did you go to the employer and obtain in raise?

Miss BARNES. Yes; we did.

Mr. KENNEDY. A raise of how much?

Miss BARNES. Twenty cents.

Mr. KENNEDY. So, on your own, you were able to go in, as an independent union apart from the Teamsters Union, you were able to go in and get a raise; is that right? By yourself, for all of you?

Miss BARNES. That is right.

Mr. KENNEDY. You got a 2-year contract?

Miss BARNES. Yes, sir.

Mr. KENNEDY. Instead of a 5-year contract which the Teamsters had signed for you?

Miss BARNES. Yes.

Mr. KENNEDY. So we have this local run by another vice president of the Teamsters, Mr. Brennan, who has also appeared before the committee and who has taken the fifth amendment, who is supposed to be servicing this group of employees, Mr. Chairman.

They were all brought in, virtually forced into the Teamsters Union, a sweetheart contract was signed, and after they got tired of it they disaffiliated, formed their own union, and were able to get raises in wages.

The CHAIRMAN. What was your raise in wages?

Miss BARNES. Twenty cents.

The CHAIRMAN. In other words, from \$1.35 you got \$1.55?

Miss BARNES. No. I am now making \$1.65. At the time Mr. Stone sold his plant we were making \$1.45. So that made our wage go up to \$1.65.

The CHAIRMAN. You got a 20-cent-an-hour increase?

Miss BARNES. Yes.

The CHAIRMAN. Well, at the time, then, that you formed this independent union and made your own contract, that you got out from under the Teamsters Union, you were receiving \$1.45 an hour?

Miss BARNES. That is correct; yes.

The CHAIRMAN. Immediately thereafter, you were able to get a contract for \$1.65 an hour?

Miss BARNES. Yes.

The CHAIRMAN. Whereas your old contract under the Teamsters Union continued on for a number of years, whereby you would get only 5 cents an hour increase per year?

Miss BARNES. That is right.

The CHAIRMAN. And you got a 4-year advantage in the first contract you signed?

Miss BARNES. Yes.

The CHAIRMAN. You say that during the time you were in this local 337, the Teamster officials did in no way try to help you or try to look after your interests?

Miss BARNES. In my opinion, sir, no.

The CHAIRMAN. I beg your pardon?

Miss BARNES. In my opinion, no.

The CHAIRMAN. In your opinion, "No." So all the members felt that way, I believe, and when the time came to determine whether they would disassociate or withdraw from the Teamsters and form an independent union, they voted unanimously to do so?

Miss BARNES. Yes; that is right.

The CHAIRMAN. This letter you got from Mr. Brennan tells you that you are liable to get into trouble if you withdraw. Is that about the substance of it?

Miss BARNES. Yes, sir.

The CHAIRMAN. He closes by saying:

Since this clause is in our contract—

and he refers to—

all present and future employees covered by this agreement shall become and remain members in good standing—

with that being underscored—

in local 337.

Then he says:

As this clause is in our contract, we will enforce it to its fullest extent, and any member of this union who refuses to remain "in good standing" will necessarily suffer the consequences, which we deem proper and legal.

In spite of that threat, though, you withdrew?

Miss BARNES. Yes, sir.

The CHAIRMAN. Are you glad you did?

Miss BARNES. Yes, sir.

Mrs. KIRNBERGER. If we were to do it over again, I believe we would.

The CHAIRMAN. You believe you would?

Mrs. KIRNBERGER. We certainly would.

The CHAIRMAN. All right.

Is there anything further?

Mr. KENNEDY. I might say Mr. Yezbec has been involved with Mr. Hoffa for a number of years. He has also been close to a number of criminal people in Detroit, including Santo Perrone.

The CHAIRMAN. What kind of work do you do?

Mr. HEMPEL. Door panels for Chryslers.

The CHAIRMAN. You work on automobiles, mechanics?

Mr. KENNEDY. They make the door panels.

The CHAIRMAN. You make door panels for cars?

Mr. HEMPEL. Right, sir.

Senator ERVIN. And you have nothing whatsoever to do with transporting anything over the road or nothing to do with warehouse work?

Mr. HEMPEL. That is correct.

The CHAIRMAN. Is your independent union associated with any international now?

Miss BARNES. No; it is not.

The CHAIRMAN. You are a completely independent union?

Miss BARNES. Yes, sir.

The CHAIRMAN. All right. Thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Wally Butler.

The CHAIRMAN. Mr. Butler, come forward.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BUTLER. I do.

TESTIMONY OF WALLY BUTLER

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. BUTLER. My name is Wally Butler. I live in Detroit, Mich. I am an employee of Vernor Ginger Ale. I am the president of Local 297, Retail, Wholesale, Department Store Union.

The CHAIRMAN. You waive counsel, do you?

Mr. BUTLER. Yes, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Butler, how long have you been an official of this union?

Mr. BUTLER. For 8 years.

Mr. KENNEDY. And how many members does it have?

Mr. BUTLER. Approximately 350.

Mr. KENNEDY. What salary do you receive?

Mr. BUTLER. \$50 a month as union president.

Mr. KENNEDY. \$50. And you work as an employee of the Vernor Ginger Ale Co.; is that right?

Mr. BUTLER. That is right.

Mr. KENNEDY. Your local union represents employees who are in the same businesses as members of certain Teamsters Unions in Detroit; is that right?

Mr. BUTLER. That is correct.

Mr. KENNEDY. Is it correct that the wages that are being paid members of your union are far higher than the wages that are being paid the members when they are in the Teamsters Union?

Mr. BUTLER. Definitely.

Mr. KENNEDY. Could you tell the committee what the situation is regarding the contracts of local 337, Mr. Brennan's local, in Detroit? You have had a good deal of experience with your own union, but you have also, according to our investigation—Mr. Chairman, Mr. Butler is recognized as the highest type of union official in the city of Detroit and is considered a man of great integrity, a man who has protected and watched over the needs of the members of his union; he is unequalled as far as that is concerned.

Would you tell us what the picture is in Detroit as far as the Teamsters are concerned?

Mr. BUTLER. As far as the Teamsters are concerned in Detroit, even though the Teamsters are a powerful union, I find it very common practice that the Teamsters do not have as good contracts as they claim. If that were so, mine would be inferior. Our contract with Vernor's Ginger Ale is far superior to similar contracts in the bottling industry over which the Teamsters have control.

The CHAIRMAN. Give us some illustrations of the differences—not necessarily all of them, but just some that illustrate what you have in mind.

Mr. BUTLER. Well, as an example, to really summarize it, our lowest wage for bottlers is \$1.95 an hour.

The CHAIRMAN. \$1.95? That is your lowest?

Mr. BUTLER. That is our lowest. And our highest wage is, I believe, \$2.74.

The CHAIRMAN. How does that compare with the Teamsters wages? This is for the same kind of work in the same bottling business?

Mr. BUTLER. That is right. I have seen Teamster contracts where their lowest wage is \$1.35 or \$1.40 an hour, and their highest wage would be \$1.90.

The CHAIRMAN. Are those contracts in existence now or in the immediate past?

Mr. BUTLER. The contracts I refer to are those in existence now; yes.

The CHAIRMAN. And your union is an independent union?

Mr. BUTLER. No. We are part of the Retail, Wholesale, and Department Store Union.

The CHAIRMAN. You are affiliated with an international union?

Mr. BUTLER. That is the international union; yes.

The CHAIRMAN. And, again, it is kind of an overlapping of jurisdiction. In other words, whoever gets to these bottlers first or persuades them; they can join either international?

Mr. BUTLER. Our jurisdiction is identical to the Teamsters.

The CHAIRMAN. So you are really competitive in a sense?

Mr. BUTLER. Correct.

The CHAIRMAN. And you find that there is this difference—well, that is a difference of about 40 cents an hour for the lowest paid, or 45 cents—45 to 50 cents an hour for the lowest paid—and about 80 cents an hour or 84 cents an hour for the highest paid workers.

Mr. BUTLER. Yes, sir.

The CHAIRMAN. There is that much difference right there in the city of Detroit.

Mr. BUTLER. I might add that aside from the wages, we have better fringe benefits.

The CHAIRMAN. Do you mean, in addition to this wage differential that is decidedly in the advantage of your union, your members, there are also fringe benefits where comparable differences appear to the advantage of your people?

Mr. BUTLER. I think two good illustrations are the night premium. In the Teamster contracts the night premium is a nickel an hour. In our contracts the night premium is a dime an hour. In a few, maybe one of the Teamster contracts, there is a contribution to the pension fund, the Teamster pension fund, of about \$2 a week. Our con-

tribution to our pension fund is 4½ percent of the payroll, which is a considerable difference.

The CHAIRMAN. And yet the Teamsters, from the standpoint of economic power that they can bring to bear against employers, is far greater than yours, that of your union; and yet you have all these advantages, or you have contracts that are this much more advantageous to the workers than the Teamsters provide in Detroit in the same field.

Mr. BUTLER. Correct.

Mr. KENNEDY. Do you find on occasion when you are coming in to try to organize the employees, that the employer will go around and make a back-door agreement with the Teamsters Union?

Mr. BUTLER. Yes, I have found examples of that.

Mr. KENNEDY. Is it a practice also that the employees, as far as the Teamsters Union is concerned, are not consulted; that this is a question often of an arrangement between the employer and the Teamster official?

Mr. BUTLER. That is common also. There are many cases in which the contract is drawn up between the business agent, the employer, and with no knowledge of the employees. I have found in my own instance 10 years ago. I had been working for a company. I wanted to know about union representation. I was told that my dues and initiation fee were paid; that there was no representation, and to be quiet. I refused to be quiet and I was fired.

Mr. KENNEDY. That was a Teamsters Union?

Mr. BUTLER. That was a Teamsters Union.

Mr. KENNEDY. What local?

Mr. BUTLER. Well, now, they said we belonged to the contract and I think it was local 337. That is the only other local I can think of.

Mr. KENNEDY. What is your opinion, as a union official of long standing, of this kind of operation that the Teamsters run?

Mr. BUTLER. This kind of operation is very detrimental to the rest of the people in organized labor. Because of the low wages that are due to the Teamsters contracts in the soft-drink bottling industry in Detroit I have had a hard time negotiating better contracts for my people. Because of this or the other low contracts, management quite often throws up to our union the fact that the other companies have to pay less for their labor—why aren't we satisfied with less? It becomes a constant battle.

I think if the Teamsters were an honest organization that their wages would be equal to ours and that we could all progress because of that; but in effect, because of the Teamsters, they are holding the rest of labor back.

Mr. KENNEDY. Would you agree from your knowledge with the statement of Mr. Hoffa:

I am not interested in having strikes for the benefit or glorification of certain people. I am interested in my members and the contracts will speak for themselves, because in Michigan we have the highest contracts in the United States, and they are going to be higher.

Is that correct?

Mr. BUTLER. I don't know what contracts he was talking about. I haven't seen them.

Mr. KENNEDY. From your knowledge, it is not correct?

Mr. BUTLER. It is not correct.

Mr. KENNEDY. In fact, it is to the contrary?

Mr. BUTLER. Yes.

Mr. KENNEDY. Did the Teamsters ever attempt to buy you out, Mr. Butler, by offering you money?

Mr. BUTLER. The Teamsters have tried to buy me off. I have been offered jobs as a business agent. I have been offered blank checks.

Mr. KENNEDY. By whom were you offered a blank check?

Mr. BUTLER. Bert Brennan at one time offered me a blank check. That was for the purpose of bringing my local into the Teamsters Union.

The CHAIRMAN. In other words, you fill in the amount?

Mr. BUTLER. That is right.

The CHAIRMAN. In other words, here is a check, you fill in the amount. What does it take to get you to bring your members into the Teamsters?

Mr. BUTLER. Correct.

Mr. KENNEDY. And there have been other instances? You have been threatened also?

Mr. BUTLER. I have been threatened. It is quite a joke around Detroit. I have been threatened with cement feet the next time I cross the river. There have been threats to various friends of mine that I am living dangerously, so to speak.

Mr. KENNEDY. Have you known occasions where Teamsters Union have sent out strikebreakers to break a strike of a legitimate union in Detroit?

Mr. BUTLER. Yes, I do. The 7-Up driver-salesmen voted to disaffiliate from the Teamsters. After they disaffiliated from the Teamsters and joined the Brewery Workers Union they had to go on strike in order to secure a contract. While they were on strike the Teamsters would send as many as 25 of the black Cadillacs and Oldsmobiles to surround the 7-Up plant.

It appeared to be ridiculous because the 7-Up drivers would have only two pickets there. The inside help belonged to the Teamsters Union and they continued to bottle during the strike. The Teamsters were there to see that their one highway truck was permitted to pass the picket line in order to supply various branches.

Mr. KENNEDY. They would have maybe a hundred men out there?

Mr. BUTLER. Correct. I believe the Detroit Times ran a story on it one day.

Mr. KENNEDY. In your estimation, as a union official, did this constitute strikebreaking?

Mr. BUTLER. Yes, definitely so. They insisted that the trucks be allowed to cross a picket line.

The CHAIRMAN. What do they call them—scabs or something?

Mr. BUTLER. If it was anybody else but the Teamsters, yes.

The CHAIRMAN. If it was anybody else it would be a scab?

Mr. BUTLER. That is correct.

The CHAIRMAN. What is it when a Teamster does it—an infested scab?

Mr. BUTLER. You could be right, Senator.

Mr. KENNEDY. It must make your operation and the operation of the other union officials similar to yours very difficult.

Mr. BUTLER. It does. This reflects on the whole labor organization, not only in the soft-drink industry; they have other industries. Driver-salesmen throughout Detroit, people in the small plants throughout Detroit, are suffering because of the Teamsters contracts that are in existence.

The CHAIRMAN. When was this blank check offered you?

Mr. BUTLER. I believe it was about June 1955.

The CHAIRMAN. About 4 years ago?

Mr. BUTLER. That is correct.

The CHAIRMAN. Was it offered to you more than once?

Mr. BUTLER. Just the one time, sir. I was given 3 days to reconsider.

The CHAIRMAN. You were told any time within 3 days?

Mr. BUTLER. I was told to call Mr. Brennan if I changed my mind.

Mr. KENNEDY. Were you offered money by any other Teamster Union official?

Mr. BUTLER. By any other Teamster Union official?

Mr. KENNEDY. Yes.

Mr. BUTLER. Indirectly I was offered money by Bufalino.

Mr. KENNEDY. For the purpose of turning over your union?

Mr. BUTLER. Yes. It was shortly after—there was a lot of talk around Detroit Bufalino did not represent the laboring man. I believe he was involved in coin machines or something of that nature at the time. He approached another union official of mine and told him that he would make out this check to the union, to myself, to the union official, or whatever way we wanted it. The only requirement being that we join with him.

Mr. KENNEDY. That you join up with him?

Mr. BUTLER. That we join up with him.

The CHAIRMAN. How much did he offer?

Mr. BUTLER. I was told \$50,000.

The CHAIRMAN. This one that was offered you by Brennan, what would you have figured would have been a proper amount to insert in the check if you were going to betray your members?

Mr. BUTLER. Mr. Brennan made the offer after Bufalino. Naturally if I turned down the \$50,000 offer, I would be silly to settle for less.

The CHAIRMAN. You would have added a little more to it, of course.

Mr. BUTLER. I had no idea of adding anything to it.

The CHAIRMAN. In fact, you did not even make a calculation; you were not going to do it to begin with?

Mr. BUTLER. I gave it back to him. I thought he was being ridiculous. I never heard of selling union memberships or buying them.

The CHAIRMAN. In fact, you don't believe in it?

Mr. BUTLER. No, sir.

The CHAIRMAN. I guess you probably agreed with what the chairman was saying a while ago—the union busters or baiters are these folks who are bringing disrepute on unionism by such practices as you are here condemning.

Mr. BUTLER. When you said that I felt like cheering.

The CHAIRMAN. Is it the truth? People who hate unionism, who are against unionism, cannot do very much about it because they are decidedly in the minority in this country. They have very little power; they can do very little about it. But these traitors and these

exploiters who happen to gain a position of power in the ranks of unions and who betray their members and who misuse them, rob them and cheat on them and doublecross them—they are the people who are unionbaiters in my book.

Do you have a better name for them?

Mr. BUTLER. No, sir. They will destroy the unions if they keep on.

The CHAIRMAN. They bring disrepute on unionism which we want to admire and respect and which over the long years has done a mighty good job to build something for the betterment of the people who work in this country.

Do you agree?

Mr. BUTLER. I agree, sir.

The CHAIRMAN. Anything further?

Mr. KENNEDY. That is all, Mr. Chairman. I appreciate Mr. Butler coming.

The CHAIRMAN. Thank you very much, Mr. Butler.

Call the next witness.

Mr. KENNEDY. This is an entirely different matter. There was a witness called in, Mr. Goldblatt, from the west coast. We expected to get into a different situation other than the contract. He was told to come today and he made his plans accordingly. He is a union official from the west coast. They are in the midst of negotiations.

So even though it is out of context, I am afraid we will have to call him. I agreed to call him this afternoon so that he could return to California.

The CHAIRMAN. It will not be related to the subject matters that have been under inquiry this week?

Mr. KENNEDY. No.

The CHAIRMAN. It will relate to some future inquiry?

Mr. KENNEDY. That is correct.

The CHAIRMAN. Come around, please, sir.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GOLDBLATT. I do.

TESTIMONY OF LOUIS GOLDBLATT, ACCOMPANIED BY COUNSEL, JOSEPH FORER

The CHAIRMAN. Be seated.

State your name, your place of residence, and your business or occupation.

Mr. GOLDBLATT. My name is Louis Goldblatt. I am secretary-treasurer of the International Longshoremen & Warehousemen's Union. I live in Mill Valley, Calif.

The CHAIRMAN. You have an attorney, Mr. Goldblatt.

Mr. Counsel, will you identify yourself for the record?

Mr. FORER. Joseph Forer, 711 14th Street NW., Washington, D.C.

Mr. Charman, before you proceed, would you enlighten us as to the subject under inquiry and the purpose for which Mr. Goldblatt's testimony is being sought?

The CHAIRMAN. Yes.

The Chair will enlighten you to this extent, and then I will have my statement implemented by the chief counsel.

This committee was created by the Senate of the United States with the duty of investigating and inquiring into improper practices in labor or management relations, and to report back to the Senate its findings, and also any recommendations that it felt proper with respect to legislation needed to correct any improper conditions or activities that the committee might find.

Now, specifically, Mr. Counsel, you may make a statement as to what is involved in this particular inquiry in which Mr. Goldblatt is being interrogated.

Mr. KENNEDY. Mr. Chairman, we have spent a considerable amount of time over a period of the last 2 years in connection with the Teamsters Union, in connection with their great economic power and the fact it is controlled and dominated at the top by corrupt influences, by gangsters or individuals who owe their positions to gangsters, and the fact that they have this great economic power and control over transportation in the United States.

Lately we have had reports that the Teamsters Union is in the process of making pacts or affiliating with the Longshoremen's Union on the east coast and the Longshoremen's Union on the west coast.

The Longshoremen's Union on the east coast has been expelled from the organized labor because of corrupt influences and the Longshoremen's Union on the west coast has been expelled because of certain Communist influences within the union.

The CHAIRMAN. You say expelled from organized labor. You mean expelled from the AFL-CIO?

Mr. KENNEDY. That is correct.

The CHAIRMAN. Or from the AFL-CIO?

Mr. KENNEDY. That is correct.

Mr. Goldblatt is an important official of the Longshoremen's Union on the west coast. We would like to inquire of him as to what relationship exists between his union and the Teamsters Union, what relationship exists between himself and Mr. Hoffa, and whether he personally or any official of his union has made any offers of any money to any individual in connection with his official position in the Teamsters Union.

The CHAIRMAN. Is that in connection with this considered arrangement between the two to associate together?

Mr. KENNEDY. That is correct, that relationship and specifically whether Mr. Goldblatt has been the spokesman for Mr. Hoffa in connection with any financial offers to any individual.

The CHAIRMAN. To further this affiliation?

Mr. KENNEDY. Or to further Mr. Hoffa's individual control in the Teamsters Union.

Mr. FORER. Mr. Chairman, in the light of Mr. Kennedy's statement we would like to enter an objection to the committee proceeding on the described subject matter on the ground it is obviously not within the scope of the committee's jurisdiction. It seems to be interference with purely legitimate relationships between unions.

Senator ERVIN. I might ask counsel, have you not read the resolution which establishes this committee?

Mr. FORER. I certainly have read the resolution, Senator, and I don't see anything mentioned by Mr. Kennedy which in any way indicates how this comes within the scope of the resolution.

The CHAIRMAN. The Chair overrules the objection, subject to a decision by the committee if there is any difference of opinion on the part of the committee from the Chair's ruling.

The whole thing goes very much to the question of whether the amalgamation or the forming of an association of all the transportation unions of this country into one entity of power to control wages, hours, and working conditions of all such employees would present to the country a danger or a threat to the supremacy of our Government. It presents the question, if such a condition obtains or is in the making, whether laws are needed to prohibit such organization, laws of any character that might be needed to protect the sovereignty of our country, to protect the welfare of its citizens, and to prevent such imposition against them that such an arrangement might entail.

Senator ERVIN. I would like also, Mr. Chairman, to make this statement at this time.

According to statements made in the public press, which have been very widely commented on, the president of the Teamsters Union made a speech in Texas in which he stated or threatened, in substance, to see to it that the transportation of the country was tied up in the event Congress dared to enact into law certain bills which are now pending before the Congress.

The CHAIRMAN. Actually, the question goes even so far as to challenge the very supremacy of Government and a threat against the sovereignty of Government. Therefore, any information that the witness may have with respect to any transactions or negotiations or conferences that might involve such considerations I think is quite proper and comes within the purview of the committee's jurisdiction.

You will proceed, Mr. Counsel, accordingly.

Mr. KENNEDY. Mr. Goldblatt, how long have you been with the union?

(The witness conferred with his counsel.)

Mr. KENNEDY. How long have you been with the ILWU?

(The witness conferred with his counsel.)

Mr. GOLDBLATT. I have been a member of this union since 1935.

Mr. KENNEDY. What were you doing prior to that time?

Mr. GOLDBLATT. Scrounging around trying to make a living in the rough depression days.

Mr. KENNEDY. Where were you living then?

Mr. GOLDBLATT. In 1935?

Mr. KENNEDY. Yes.

Mr. GOLDBLATT. San Francisco.

Mr. KENNEDY. How long have you been an officer of the union?

Mr. GOLDBLATT. I have been secretary-treasurer of the international since 1943.

Mr. KENNEDY. Mr. Goldblatt, how long have you known Mr. Hoffa?

Mr. GOLDBLATT. I am not positive exactly how long. I first met him casually in Hawaii, during the course of an executive board meeting, I believe, of the Teamsters Union.

Mr. KENNEDY. That is Mr. James Hoffa. What year was that when you first met him?

Mr. GOLDBLATT. I am not sure whether that was 2 years ago or 3 years ago.

Mr. KENNEDY. Has there—

Mr. GOLDBLATT. I didn't think that any world-shaking events were going to come out of this and I did not try to keep a record of that meeting.

Mr. KENNEDY. I just asked the question, Mr. Goldblatt.

Have there been any agreements or pacts between the Longshoremen's Union on the west coast and Mr. Hoffa's Teamsters Union, or any subdivision thereof?

Mr. GOLDBLATT. I would have to understand, Mr. Counsel, what you mean by an agreement or pact.

Mr. KENNEDY. Well, have there been any agreements of any kind since Mr. Hoffa took over as international president of the Teamsters Union, between the Teamsters Union or any entity thereof and the Longshoremen's Union?

Mr. GOLDBLATT. Let me put it this way, if I may, that in the course of acting as a union official, you met with all other unions, in effect, from time to time, sometimes on a national level, sometimes locally, district or a regional basis. It might be around a specific issue or a specific campaign or a specific problem. It might be around a certain set of negotiations, or a strike that might be pending. You might reach an understanding concerning that specific situation or contract problem.

Now you cannot very well call that a pact. It is not. You can't call it a contract. That is not the case, either. It is just the run-of-the-mill, everyday type of union cooperation that unions do.

Mr. KENNEDY. What kind of those union run-of-the-mill cooperations have you reached with the Teamsters?

Mr. GOLDBLATT. From time to time, of course, we have made—

Mr. KENNEDY. Let's get into specifics as to what you have done since Mr. Hoffa became international president. Let's go through the thing chronologically.

Mr. GOLDBLATT. Well, once again I am trying to tell you, Mr. Counsel, that if you are talking about a specific chronological period, how long has he been president, by the way?

Mr. KENNEDY. January of 1958.

Mr. GOLDBLATT. That would be about a year and a half?

Mr. KENNEDY. Yes. Let's take it from there.

Mr. GOLDBLATT. Well, during that time I know this much, that in various areas of our union there has been cooperation between the Teamsters and the ILWU.

Incidentally, there has been such cooperation in the past prior to Mr. Hoffa becoming president, too. There have been a number of occasions where the Teamsters had a problem in a certain area and they asked us for help and we gave them assistance, or where we might have wanted some help and they, in turn, gave us a hand. So that it is not a new thing. In the period you speak of this was not an understanding reached with Mr. Hoffa or his national people, though I believe it was approved by them. Bear in mind, some of these things don't take the form of regular approval.

Mr. KENNEDY. You say an awful lot of words, Mr. Goldblatt.

Mr. GOLDBLATT. Well, I don't want to be loquacious about this, but on the other hand, I do want to give you an answer which is not in the odd category that you are trying to put it, Mr. Kennedy.

Mr. KENNEDY. Why do we not just get to what you have done and then let us form our opinion, and then you can give an explanation. Let's get on with it. You want to go back to the west coast, do you not?

Mr. GOLDBLATT. It is extremely important that I get back to the west coast.

Mr. KENNEDY. Let's move on and you answer the questions.

Mr. GOLDBLATT. You might make it a lot easier if you ask me what type of agreement and what field. What are you talking about, long-shore, warehouse, the Hawaiian Islands?

Senator ERVIN. Could you not stop the superfluidity of your conversation and give us some information?

Mr. GOLDBLATT. I do not want to wear you, Senator, and I agree with Mr. Kennedy, I want to go back to the west coast. I appreciate the fact that I am called at this hour. Naturally, I don't appreciate the fact of being called before the committee. I think you can understand that.

Mr. KENNEDY. Why do you not just answer the question, Mr. Goldblatt?

Mr. GOLDBLATT. Perhaps you are referring to some meetings which were held between ourselves and the Teamsters where we tried to take care of at least certain specific problems where the interests of the Teamsters Union and the ILWU overlap, and those are in the field of, A, automation.

The CHAIRMAN. In what?

Mr. GOLDBLATT. Automation. It is not that I am intimidated by the committee here, but at the same time you keep warning me not to be lengthy. I would like to explain it.

Do you mind?

The CHAIRMAN. Well, we can take whatever time it takes. We are operating on your time now, pretty much.

Mr. GOLDBLATT. I am aware of that.

The CHAIRMAN. All right. Let's proceed.

Mr. KENNEDY. Could I explain something? I have a plane to catch at 5:30 and I would like to get finished today as you would like to. So if we do not finish, you will have to come back again Monday, and you don't want to come back Monday.

Mr. GOLDBLATT. I don't want to come back Monday. In fact, it will be a severe hardship on our union if I am forced to come back.

Mr. KENNEDY. Let's get to the answers and we will both be happy.

The CHAIRMAN. Just tell us what agreements you have reached since Hoffa became president.

Mr. GOLDBLATT. These are not agreements; they are understandings. For example, we have agreed to set up a 10-man committee on the west coast.

The CHAIRMAN. That is an agreement, is it not?

Mr. GOLDBLATT. I don't want to split hairs, and that will take longer yet. An agreement to my mind is something that is binding on a man. Maybe we use the two words differently. Your lexicon might be slightly different than mine. I cannot tell that. We did reach an agreement, an understanding, put it anyway you want to, to set up

a committee of 10 on the west coast, 5 from the Teamsters, I suppose representing various areas up and down the west coast, and 5 from the ILWU.

This committee of 10 will have the following specific job entrusted to them: To meet whenever necessary when there are overlapping problems in the field, A, of automation, and I will just take a half second here. There have been so many new developments in the field of transportation, revolutionary changes called roll-on roll-off, piggyback, fishyback operations. This is the movement of an entire van, container, or truck directly aboard ship, rather than moving the cargo piecemeal. This creates a complete overlap between Teamster work and our work. A great many jobs will be eliminated. The question comes along as to whose job will be eliminated.

Just one quick example will suffice. The Longshoremen handle all cargo from the moment the cargo reaches the gate of the dock until it is securely on board that ship and loaded. A truck will now be loaded in its entirety, let us say, on a piggyback operation, or a fishyback operation, the entire truck. Who takes that truck on board the ship? It is the longshoreman's position, of course, that he will do so.

The Teamsters traditionally have taken the position they will drive the truck.

Clear?

Mr. KENNEDY. Go ahead.

Mr. GOLDBLATT. That is automation. A second field where there has been violent conflict in the past, and which we are anxious to eliminate, is the field of jurisdictional overlap and jurisdictional strife. I might just say in passing that that is one of the reasons that we are concerned about being called before the committee.

For many years newspapers, political figures, employer groups, have been after us time and time again to get rid of what they call the jurisdictional battles between the ILWU and the Teamsters. We wanted to get rid of them. Now we think we are getting rid of them finally by the setting up of this committee. We are in the odd position of somebody who is damned if he does and damned if he don't.

Mr. KENNEDY. What others?

Mr. GOLDBLATT. That is the second field. A third specific field is organizational situations where quite often both unions may tackle the same warehouse. Rather than do that, and find ourselves in direct conflict with a waste of workers' money and the resultant confusion to the people involved, we will try to avoid that. Those are the three specific fields.

Mr. KENNEDY. Where does this apply? On the west coast?

Mr. GOLDBLATT. This committee of 10 applies on the west coast.

Mr. KENNEDY. Period?

Mr. GOLDBLATT. This committee of 10 will be confined to the west coast, yes, sir.

Mr. KENNEDY. Do you have any other agreements?

Mr. GOLDBLATT. We had a general understanding, and we are trying to work out the details of it now, there are some that have to be cleared away, as to organization in Hawaii. A good deal of both the warehouse and teamster field is unorganized. Honolulu, proper, is a highly unorganized community. The principal organization in the island is out in the plantations and on the dock area. We have reached a general understanding to cooperate in an attempt to or-

ganize both the warehouse and trucking field in the Hawaiian Islands.

Mr. KENNEDY. When was that agreement reached?

Mr. GOLDBLATT. The general understanding was reached some time in mid-April, the latter part of April, of this year.

Mr. KENNEDY. Was there some—

Mr. GOLDBLATT. But details still have not been worked out, Mr. Kennedy.

Mr. KENNEDY. Is there a committee to handle that also?

Mr. GOLDBLATT. That, I think, once we iron out the details, will be relegated to where it belongs, namely, the Hawaiian Islands.

Mr. KENNEDY. Do you have any documentation on any of these agreements?

Mr. GOLDBLATT. There is no documentation whatsoever on the so-called committee of 10. The only documentation on the understanding regarding Hawaii was a letter that was sent by the Teamsters generally outlining what they considered their jurisdiction.

Mr. KENNEDY. Are there any other agreements beyond the two that you have described? When was the first one reached?

Mr. GOLDBLATT. They were both reached at the same time.

Mr. KENNEDY. April of this year?

Mr. GOLDBLATT. There have been discussions of this sort of an understanding long before then. In other words, these discussions have gone on from time to time, and for the last 2 years, at least.

Mr. KENNEDY. Are there any other agreements or understandings?

Mr. GOLDBLATT. Well, there is an agreement in northern California in the warehouse field which resulted in good cooperation on the last warehouse contract because both our unions happen to represent workers in the same field, and as a result of rather effective cooperation I think a very good and constructive agreement results.

Mr. KENNEDY. Are there any others?

Mr. GOLDBLATT. There might be dozens of local understandings of various kinds.

Mr. KENNEDY. But these are the only ones at the national level?

Mr. GOLDBLATT. That is right, sir.

Mr. KENNEDY. The ones that you have described. You have described everything that they encompass; is that correct?

Mr. GOLDBLATT. Let me take a look-see now. I have a statement adopted by our international executive board, and I will see if I left anything out. Do you want me to read the statement into the record? It is very brief.

Mr. KENNEDY. Why don't you just give it to us?

Mr. GOLDBLATT. All right.

I can simply point out the ILWU board unanimously approved the steps taken to set up a joint committee of the Teamsters Union on the west coast. The efforts of the IBT and President Hoffa to coordinate a continuous study of east and west coast longshore problems in the field of automation is most constructive in view of its impact on transportation.

Mr. KENNEDY. Do you approve, Mr. Goldblatt—

Mr. GOLDBLATT. That is not an agreement, but an attempt to coordinate.

Mr. KENNEDY. Do you approve of Mr. Hoffa's union officials?

Mr. GOLDBLATT. Mr. Kennedy, let me put it as I see it.

Mr. KENNEDY. I might say as a preliminary, that I understand that your union has, for a long period of time, been against gangsterism; racketeering within the union.

Mr. GOLDBLATT. I think if any union has an outstanding record on that score, we do.

Mr. KENNEDY. I made the statement. Now I ask you if you approve of Mr. Hoffa's union officials.

Mr. GOLDBLATT. I have watched what has happened in the Teamsters Union, for example, in northern California, where I live and where I reside daily. Let me finish this point, and I will be brief. I have watched their activities since Mr. Hoffa took office. I have watched locals taken out of trusteeship. I have watched the rank-and-file move in and take over their own negotiations, handle their own contracts. I have seen those valley teamsters last year, when they demanded strike authorization, get it within a very brief period of time and strike benefits on what they considered to be a legitimate beef. All I can say is this: That the kind of democracy which I have seen spring up inside the Teamsters Union in northern California is the kind of democracy which would mean that those workers can keep Hoffa or get rid of him, as they please.

Mr. KENNEDY. Just answer my question: Do you approve of Mr. Hoffa as the union official?

Mr. GOLDBLATT. I say that if the work he is doing in northern California is sympathetic of his program as a whole for the Teamsters Union, then it is excellent.

Mr. KENNEDY. That is fine if that were true. You know the situation. You are familiar with the fact that he got set up in a trucking company by an employer after he settled a strike for them, that he transferred \$500,000 out of a Detroit bank to a Florida bank to induce them to loan money on lands.

Mr. GOLDBLATT. I am not familiar with all these things you are telling me.

Mr. KENNEDY. You have not read the record?

Mr. GOLDBLATT. I have not read the record. All I have read is what I see in the newspapers. If I have to go by what the papers say about labor officials, I would be in bad shape.

Mr. KENNEDY. So far as you are concerned, Mr. Hoffa is a good union official?

Mr. GOLDBLATT. I watch, I look, I listen, I go out to the field. I meet with people. I don't just sit in the committee rooms. From what I have seen happen with Teamsters officials in northern California those workers are getting the kind of democracy that they throw Hoffa on his ear if they feel like it.

Mr. KENNEDY. Would you condemn Hoffa?

Mr. GOLDBLATT. What is happening in northern California now? It is excellent.

Mr. KENNEDY. I am not talking about northern California.

Would you condemn Mr. Hoffa for what he has done in the Teamsters Union?

Mr. GOLDBLATT. What are you referring to now, Mr. Kennedy?

Mr. FORER. Senator, I really want to protest again.

Mr. GOLDBLATT. You want my opinion of Mr. George Meany, Walter Reuther—

The CHAIRMAN. The Chair will have to interrupt. Some of the questions that have been asked the witness are questions that he can answer if he desires to do so. I do not think he should be compelled to answer what he thinks of Mr. Hoffa. Of course, you have been in the committee room here today——

Mr. GOLDBLATT. I have been here for about an hour, sir.

The CHAIRMAN. You are testifying briefly there as to some things you have seen and observed. I do not know whether you have the whole picture or not and whether any opinion you might have on them is one you may or may not express.

I do not think it would be pertinent to the subject of the inquiry.

Mr. FORER. Senator, it is my understanding that the witness has expressed his opinion. The trouble seems to be that Mr. Kennedy was not satisfied with the opinion.

The CHAIRMAN. He has expressed an opinion as to what he saw up in northern California.

Mr. FORER. You would not want him to express an opinion on something he did not see, would you?

The CHAIRMAN. Just a moment. The Chair has ruled.

Proceed.

Mr. KENNEDY. Mr. Goldblatt, on behalf of Mr. Hoffa have you made any approaches, directly or indirectly, to have Mr. Godfrey Schmidt removed as monitor?

Mr. FORER. Just a minute. This I definitely want to object to, Mr. Chairman, on the grounds that it is clearly not within the charter of the committee, that it is an encroachment on the matter within the jurisdiction of the U.S. district court and that the answer or questions can serve no legislative purpose.

The CHAIRMAN. The Chair will overrule that because any inference or attempt to infer with the court, or to influence improperly, might be a matter of improper practice that this committee might have jurisdiction over. I do not know whether legislation is needed in that field or not.

What was the question?

Mr. KENNEDY. The question was, whether you made any approach directly or indirectly on behalf of Mr. Hoffa to bring about the resignation of Mr. Godfrey Schmidt as a monitor.

Mr. GOLDBLATT. On behalf of Mr. Hoffa? No.

Mr. KENNEDY. Did you make any approach directly or indirectly to bring about the resignation of Mr. Godfrey Schmidt?

Mr. FORER. This question is certainly even less connected with the authority of the committee than the preceding one, Mr. Chairman.

Mr. KENNEDY. Did you make any approach directly or indirectly to have Mr. Godfrey Schmidt removed as monitor?

Mr. GOLDBLATT. Mr. Kennedy, I don't have the power——

The CHAIRMAN. You can answer that yes or no, and then make any explanation you care to make. The question does not say approach to whom, now. I understood you know who he has in mind.

Mr. FORER. May we have a ruling on the objection both as to the form and content?

The CHAIRMAN. I am overruling the objection as to the approach to have Mr. Schmidt removed as monitor.

Mr. KENNEDY. Would you answer the question, Mr. Goldblatt?

Mr. GOLDBLATT. You will have to repeat the question, now, sir.

The CHAIRMAN. Did you make any approach to anyone to have Godfrey Schmidt removed or to resign as a monitor in connection with his appointment as such by the court here in the District of Columbia with respect to his relationship or supervision of the affairs of the International Teamsters Union?

I have covered about every aspect of it that I can think of.

Mr. GOLDBLATT. What do you mean? I am sorry, Senator. You have me completely confused.

The CHAIRMAN. There is nothing confusing about that. Did you make any approach to anyone trying to have Godfrey Schmidt resign or to have him removed as a monitor of the court here, appointed by the court, under International Teamsters Union supervision?

Mr. GOLDBLATT. I understand the only person who can remove a monitor is the person who appoints him, the judge. I have not talked to Judge Letts.

The CHAIRMAN. Have you made any approach to anyone trying to have him removed or resign as monitor?

Mr. GOLDBLATT. As I understand it, the only person who can remove Mr. Schmidt is the judge.

The CHAIRMAN. You can answer yes or no. You can answer that question. Let us get through. I am trying to accommodate you.

Mr. GOLDBLATT. I am sorry, Senator. I think this is getting into a field which on several scores——

The CHAIRMAN. That is a different thing now. I am going to order you to answer the question. Have you made any such approach? I want to know what your interest is, why you are interested in the affairs of the Teamsters Union to the extent that you do that. I will show you where I am leading to.

(The witness conferred with his counsel.)

Mr. GOLDBLATT. On advice of counsel I refuse to answer that question for the following reasons: One, I don't think it is germane to my being called before the committee. Two, I think that it is entering into an area which I find both puzzling, and I can't understand its purpose. Three, I think that it might result in something that could be part of a frameup. I am not accusing the committee here, but I am suspicious of it and consequently for all those grounds, including the privileges that are accorded me under the fifth amendment I decline to answer.

The CHAIRMAN. For all the purposes stated and reasons given by the witness except the fifth amendment, the objections are overruled. Now, if you state that you honestly believe that a truthful answer thereto might tend to incriminate you, I will ask you that.

(The witness conferred with his counsel.)

Mr. GOLDBLATT. I have given my answer.

The CHAIRMAN. I am giving you the suggestion as to the kind of answer that will be acceptable if you can give it under oath.

Mr. GOLDBLATT. I honestly believe what I have told you; yes.

The CHAIRMAN. Honestly believe what?

Mr. GOLDBLATT. Honestly believe the reasons I gave you.

Senator ERVIN. You mean by that that you honestly believe if you gave a truthful answer to that question, that that would tend to incriminate you in the commission of some criminal offense?

(The witness conferred with his counsel.)

Mr. GOLDBLATT. I honestly believe for all the circumstances I have given in my answer, sir.

Senator ERVIN. You have not answered my question.

Mr. GOLDBLATT. I am sorry then.

Senator ERVIN. My question is very simple. You state upon your oath that you honestly believe that if you gave a truthful answer as to whether or not you have attempted to assert any influence to persuade the resignation of Godfrey Schmidt as a monitor, that your answer would tend to incriminate you in the commission of some criminal offense?

(The witness conferred with his counsel.)

Mr. GOLDBLATT. Under the circumstances, that is possible.

Senator ERVIN. That is your honest belief?

Mr. GOLDBLATT. That is my honest belief, Senator.

The CHAIRMAN. If you did it, why and what induced you to do it? What connection did it have with Mr. Hoffa, and were you paid anything or promised anything of value for it? Just what is your interest? I want the record to show clearly that the question was leading to a source of inquiry that is clearly within the jurisdiction of the committee.

Mr. KENNEDY. In view of your refusal to answer that question I want to next tell you that our information is that you have been a member of the Communist Party. Will you tell the committee when you left the Communist Party?

Mr. FORER. In the first place, that is a loaded question.

The CHAIRMAN. I will ask it so it is not loaded.

Mr. FORER. In the second place that is definitely not a proper subject of inquiry by this committee at this time or any other time. I vehemently object to it.

The CHAIRMAN. I hold that it is a proper inquiry, because I think this committee can consider whether there is legislation needed. Some unions have taken it upon themselves absolutely to rid their membership of Communists because they feel that it is detrimental to the union movement in this country. If unions can feel that, certainly the Government itself may feel that that is true. If we find Communists infiltrated in the unions and so report that finding to the Senate of the United States the Senate may want to consider legislation in that field.

Therefore, I will ask the question——

Mr. FORER. Mr. Chairman, there is legislation in that field and further inquiry into that field is within the jurisdiction of other committees.

The CHAIRMAN. Will you let me ask this question?

Mr. FORER. Won't you let me make my objection?

The CHAIRMAN. Yes; after I ask the question.

Mr. FORER. Well, ask your question.

The CHAIRMAN. Now we are going to get along, or I am going to get along by myself or you will not be around here.

The question is, are you now a member of the Communist Party?

Mr. FORER. Mr. Chairman, with your permission, I would like to make my objection.

The CHAIRMAN. You may make your objection.

Mr. FORER. I would like to point out that in the earlier discussion you talked about the interest of the Government. The committee is

only part of the Government, and it does not have all the jurisdiction of the whole Government. The fact is that other committees have directly asserted their authority in this field.

This committee now seems to be interfering with the jurisdiction of other committees. Secondly, it seems to me that question violates the first amendment. Finally, it just has absolutely nothing to do with the subject matter under inquiry, the Teamsters Union. I think this is just an attempt to embarrass the witness.

Finally, there already is legislation in this field. That is what section 9(h) of the Taft-Hartley Act is for. That is something for the Senate's Committee on Labor and not for this committee.

The CHAIRMAN. The objections are overruled. The witness will answer the question.

Mr. GOLDBLATT. What is your question, Senator?

The CHAIRMAN. Are you now a member of the Communist Party?

Mr. GOLDBLATT. I think your investigators are aware of the fact that our union has been in compliance with the National Labor Relations Act for, at least, 10 years, and that under the compliance regulations, all officials signed a non-Communist affidavit.

I am one of those officials and have been so for the past 10 years.

Senator ERVIN. If I may borrow some words from John L. Lewis, I am afraid you have become inebriated on your own verbosity. It seems you could answer that question more simply.

Mr. GOLDBLATT. I thought the expression originated with Sam Johnson, and it was "intoxicated with a person's own exuberance."

Senator ERVIN. What I am afraid of is that you are in grave fear of becoming intoxicated by your own verbosity.

The CHAIRMAN. The question is: Are you now a member of the Communist Party? You can answer it or refuse to answer it. Take your choice.

As far as filing affidavits is concerned, people make affidavits, people make reports. We have a perfect right to ask if what they said in the affidavit is true. I am asking you now: Are you a member of the Communist Party?

Mr. GOLDBLATT. What is the purpose of this question?

The CHAIRMAN. The purpose is to give information to the Congress as to whether the Communists have infiltrated with labor unions in this country, period.

(The witness conferred with his counsel.)

Mr. GOLDBLATT. On advice of counsel, I refuse to answer that question for the following reasons:

I don't think it is germane to this inquiry. It is not within the authority of this committee, and, further, I stand on the constitutional privileges accorded to me under the fifth amendment.

The CHAIRMAN. All right, sir. Now, I will ask you if you have in the past, any time in the past, since you have been a member of a union, have you been a member of the Communist Party?

Mr. GOLDBLATT. I am compelled to give the same reply.

The CHAIRMAN. In other words, your answer to this question is the same as the preceding question?

Mr. GOLDBLATT. That is correct, sir.

The CHAIRMAN. I hand you here a photostatic copy of an affidavit of non-Communist union officer. It appears to have been signed by you as secretary-treasurer on the 16th day of May 1958.

I will ask you to examine this photostatic copy and state if you identify it and, if so, if it is a copy of the affidavit you filed.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. GOLDBLATT. That is right. I have been trying to tell you that. I have been signing these affidavits.

The CHAIRMAN. Are the facts stated in that affidavit true?

Mr. GOLDBLATT. It is the same question.

The CHAIRMAN. The same question?

(The witness conferred with his counsel.)

The CHAIRMAN. I am asking now. You say you signed that affidavit. I am asking you if the facts stated in that affidavit are true. That affidavit will be made exhibit No. 82.

(The document referred to was marked "Exhibit No. 82" and may be found in the files of the select committee.)

Mr. GOLDBLATT. Isn't that the same question you asked before, Senator?

The CHAIRMAN. No. I asked you if you were or if you had been. Now, I ask you if the facts in this affidavit are true.

(The witness conferred with his counsel.)

Mr. GOLDBLATT. It seems to me it is the same question. I will have to give you the same answer, Senator.

The CHAIRMAN. What is your answer? Repeat it at this point.

Mr. GOLDBLATT. Well, I think that under pains of being accused of telling the chairman he is repetitious, it seems to me that you are asking the same question you asked a while ago.

The CHAIRMAN. I do not care about a lecture from you now. Do you want to answer the question or do you want to refuse?

Mr. GOLDBLATT. I think it is the same question you asked before and I refuse for the same reasons.

Senator ERVIN. It is quite a different question.

The CHAIRMAN. You either answer or refuse. Take your choice.

Mr. GOLDBLATT. Then I refuse to answer the question for the same reasons I gave before.

The CHAIRMAN. On the grounds of the fifth amendment, that you think it might incriminate you?

Mr. GOLDBLATT. That is one of the grounds, sir.

The CHAIRMAN. All other grounds are overruled and will not be honored.

Is there anything further?

Mr. KENNEDY. Mr. Chairman, Mr. Adlerman will continue the questioning.

Mr. ADLERMAN. Mr. Goldblatt, did you ever use the name of Louis Miller?

Mr. FORER. I object. This is also irrelevant, Mr. Chairman. This whole proceeding seems to be an attempt to harass the witness.

The CHAIRMAN. Objection overruled.

Proceed.

Answer the question.

Mr. ADLERMAN. I would like to point out that the purpose of the question is that there has been testimony before other committees, and you have been identified as a Mr. Louis Miller who published a pamphlet called "The Young Communist in Action." I would like to

quote just one paragraph from this pamphlet and ask you if you are the author of that pamphlet.

Mr. FORER. What year was this supposed to be?

Mr. ADLERMAN. This was way back in 1934.

Mr. FORER. You see, Mr. Chairman, obviously this is not relevant to this inquiry.

Mr. ADLERMAN. It is relevant in respect that——

The CHAIRMAN. Ask the question.

Mr. ADLERMAN. I would like to ask him whether or not he is responsible for this particular quote:

We in the United States under the leadership of the Communist Party and the Young Communist League shall overthrow capitalism and build a workers and farmers government—a Soviet America.

Have you been the author of that?

The CHAIRMAN. Give us the date of that so we can identify it. What is the date of it?

Mr. GOLDBLATT. I have been asked that same question, Mr. Senator, by other committees. What is the purpose of it? Is this just for harassment of me? I thought I was called up here for some good purpose.

The CHAIRMAN. No sir; I am not trying to harass you.

Mr. GOLDBLATT. Why is, for example, I try to come before this committee and you try to make cooperation sound like corruption. You try to make solidarity sound like sin. When that doesn't work out right, because we have understandings with a fellow union, go on to this track? Is that to try to smear a witness who is not fully cooperative with this committee?

The CHAIRMAN. Let me tell you something. We are fulfilling a duty imposed upon us by the U.S. Senate. We are an arm of the U.S. Senate, a branch of this Government. I don't propose to sit here and have this committee sit here and be insulted by some witnesses when we ask you questions regarding your conduct.

Mr. GOLDBLATT. I have no intention of insulting this committee, Senator. However, it does seem to me that we try to get rid of jurisdictional disputes with the Teamsters. Now, there will be one between two committees. Other committees asked me the same question.

The CHAIRMAN. It may seem the same to you. It is otherwise. The question is, Were you responsible for that statement in a pamphlet called "The Young Communist in Action"?

(The witness conferred with his counsel.)

The CHAIRMAN. Can you give us any statement about it, as to whether you were responsible for the publication of that statement in that pamphlet?

Mr. GOLDBLATT. I don't believe that question is germane to this inquiry.

The CHAIRMAN. I did not ask you that. You may state your objections, if you want to, to the question.

Mr. GOLDBLATT. I am sorry I put that wrong, then, Senator.

The CHAIRMAN. I beg your pardon.

Mr. GOLDBLATT. I am sorry I put it wrong. I object to answering that question. I refuse to do so on the following grounds——

The CHAIRMAN. What are the grounds?

Mr. GOLDBLATT. I don't think the question is germane. I don't think it has anything to do with this hearing. I personally and strongly feel that it is deliberate harassment of myself and of my union and, further, I refuse to answer on the grounds and privileges accorded to me under the fifth amendment.

The CHAIRMAN. All objections are overruled except the one where the fifth amendment privilege is invoked.

Are there any further questions?

You will remain under your present subpoena, subject to being recalled at such time as the committee may wish to recall you. Do you agree to that, giving you reasonable notice of the time and place where we may desire to hear your testimony?

Mr. GOLDBLATT. Yes; I do.

The CHAIRMAN. All right.

The committee will stand in recess until 10:30 Monday morning.

(Whereupon, at 5:20 p.m. the committee was recessed, to reconvene at 10:30 a.m. Monday, July 13 1959.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

MONDAY, JULY 13, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 12 noon, pursuant to Senate Resolution 44, agreed to February 2, 1959, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota; Senator John F. Kennedy, Democrat, Massachusetts; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Frank Church, Democrat, Idaho; Senator Homer E. Capehart, Republican, Indiana; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Paul J. Tierney, assistant counsel; Arthur G. Kaplan, assistant counsel; Walter J. Sheridan, investigator; Pierre E. G. Salinger, investigator; Ruth Y. Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at time of convening: Senators McClellan, Mundt, Kennedy, Church, Goldwater, Curtis, and Capehart.)

The CHAIRMAN. We are, of course, very glad to have guests in the audience who are and who will be guests of the committee, and we ask that you refrain from undue demonstrations so that the committee may proceed in order.

All right, Mr. Kennedy, call your first witness.

Mr. KENNEDY. Mr. Bartley Crum.

The CHAIRMAN. Mr. Crum, come forward. Be sworn, please.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CRUM. I do.

TESTIMONY OF BARTLEY C. CRUM

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. CRUM. My name is Bartley C. Crum. My residence is New York City. I am licensed to practice law in the State of New York and the State of California, and before the Supreme Court of the United States.

The CHAIRMAN. That is your principal occupation—attorney?

Mr. CRUM. Yes, sir; it is.

The CHAIRMAN. Then I assume you waive counsel?

Mr. CRUM. Yes, I do.

The CHAIRMAN. Proceed.

Mr. KENNEDY. How long have you been an attorney, Mr. Crum?

Mr. CRUM. Since 1924.

Mr. KENNEDY. Have you been representing Mr. Godfrey Schmidt, the monitor?

Mr. CRUM. My firm has; yes, sir.

Mr. KENNEDY. In what connection?

Mr. CRUM. In connection with the collection of his fees, both as monitor and as counsel for the plaintiffs in the action of *Cunningham et al. v. English et al.*

Mr. KENNEDY. Mr. Crum, as Mr. Schmidt's attorney, were you approached by any individual speaking on behalf of the Teamsters?

Mr. CRUM. Yes, I was.

Mr. KENNEDY. To have Mr. Godfrey Schmidt resign as a monitor and his fees and payments that are due him to be paid?

Mr. CRUM. I was approached.

Mr. KENNEDY. You have been approached?

Mr. CRUM. Yes, sir.

Mr. KENNEDY. And have those approaches been over the period of the last 6 or 8 months?

Mr. CRUM. Over the period of the last year, I would say.

Mr. KENNEDY. And they were for Mr. Godfrey Schmidt to resign as monitor and the Teamsters then to pay him the fees that were due him?

Mr. CRUM. Yes, sir.

Mr. KENNEDY. It was going to be a quid pro quo; is that correct?

Mr. CRUM. Yes, and I was to be named as Mr. Schmidt's successor, as monitor.

Mr. KENNEDY. Could you tell us when the subject first arose?

Mr. CRUM. Well, it was first raised by Mr. Bridges, I think, in San Francisco.

Mr. KENNEDY. What Mr. Bridges is that?

Mr. CRUM. Harry Bridges.

Mr. KENNEDY. He is head of the—

Mr. CRUM. Longshoremen's Union on the Pacific coast.

Mr. KENNEDY. When was that?

Mr. CRUM. That was, I think, either in late July of last year or early August.

Mr. KENNEDY. And you were out on the west coast at that time?

Mr. CRUM. Yes, I was.

Mr. KENNEDY. What conversations did you have with Mr. Bridges?

Mr. CRUM. Well, I had a conversation with Mr. Bridges at the Hotel Fairmont, in San Francisco, at which was present Mr. Louis Goldblatt.

Mr. KENNEDY. Who is Mr. Louis Goldblatt?

Mr. CRUM. He is the secretary-treasurer of that union.

Mr. KENNEDY. What was the gist of that conversation?

Mr. CRUM. The gist of the conversation was that Mr. Bridges said that the Longshoremen's Union now had a direct interest in the Team-

sters Union, and that the Longshoremen's Union was not satisfied with the way in which Mr. Schmidt was acting as monitor.

He said that the Longshoremen's Union, I believe, had completed arrangements for a combination of the Teamsters with the International Longshoremen's Union, to form a giant transportation union in this country and Hawaii and Alaska.

Mr. KENNEDY. How were they dissatisfied with Mr. Schmidt?

Mr. CRUM. Well, they regarded Mr. Schmidt as anti-trade-union.

The CHAIRMAN. Let us understand. Who was making those statements to you?

Mr. CRUM. Mr. Bridges.

The CHAIRMAN. Harry Bridges?

Mr. CRUM. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. Just prior to this time, there had been some discussion in the newspapers about the fact that there would be this giant union, and Mr. Godfrey Schmidt had written a letter, had he not, to the head of the monitors, protesting the alliance with the Longshoremen on the west coast?

Mr. CRUM. I believe he wrote a letter on or about July 9, objecting to the union of these two tremendous trade union forces.

Mr. KENNEDY. We have a copy of that letter, Mr. Chairman.

The CHAIRMAN. I hand you here what purports to be a photostatic copy of a letter dated July 9, 1958, addressed to Mr. Martin O'Donoghue, apparently, from Godfrey P. Schmidt. It indicates that a copy of it was mailed to Mr. L. N. D. Wells, Jr., and also a copy to you.

Would you examine this and state if you identify it?

(The document was handed to the witness.)

Mr. CRUM. Yes, sir; I did receive a copy of this letter from Mr. Schmidt to Mr. Martin O'Donoghue.

The CHAIRMAN. The letter may be made exhibit No. 83.

(Letter referred to was marked "Exhibit No. 83" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. At that time, Mr. Bridges and Mr. Goldblatt were both aware that you represented Mr. Schmidt; is that correct?

Mr. CRUM. They were. They knew that.

Mr. KENNEDY. Was there discussion at that time about Mr. Schmidt resigning as monitor?

Mr. CRUM. I am not sure that there was discussion about him resigning. There was discussion about his position. The objection to Mr. Schmidt was that he was voting with Mr. O'Donoghue on the board of monitors, and that made a vote of 2-to-1 against Hoffa.

Mr. KENNEDY. And that was the matter which concerned them?

Mr. CRUM. Yes, sir; at that time.

Mr. KENNEDY. Did you have a further conversation with them?

Mr. CRUM. Later on, I believe in October.

Mr. KENNEDY. With whom was that conversation?

Mr. CRUM. That conversation, I think, Mr. Kennedy, was with Mr. Goldblatt.

Mr. KENNEDY. And that was on or about October 14, 1958?

Mr. CRUM. Yes, sir; it was.

Mr. KENNEDY. And Mr. Goldblatt came to your home?

Mr. CRUM. He did.

Mr. KENNEDY. You had known Mr. Bridges and Mr. Goldblatt for a long time?

Mr. CRUM. Many, many years; since 1934, I believe.

Mr. KENNEDY. Mr. Goldblatt came to visit you at your home at that time?

Mr. CRUM. He did.

Mr. KENNEDY. What was the gist of that conversation?

Mr. CRUM. The gist of the conversation was that the Longshoremen's Union was being frustrated in its efforts to effect a union with the Teamsters Union by the activities of Godfrey Schmidt, and Goldblatt suggested, as I recall it at that time, that it would be appropriate for Mr. Schmidt to resign and be paid.

Mr. KENNEDY. Was there discussion at that time that you might replace Mr. Schmidt?

Mr. CRUM. Yes, there was.

Mr. KENNEDY. What was your feeling about that at that time, as to what kind of a monitor was wanted?

Mr. CRUM. Well, I think the monitor that they wanted, Mr. Kennedy, was one who would vote with Mr. Hoffa.

Mr. KENNEDY. Did they indicate at that time that if Godfrey Schmidt did resign that it might be arranged to have the various fees that were due him paid?

Mr. CRUM. Yes.

Mr. KENNEDY. Would you explain a little bit about what the fees were?

The CHAIRMAN. Just state specifically what was said about that.

Mr. CRUM. Very well, Senator.

Mr. Goldblatt stated to me at that time that if Mr. Schmidt resigned as monitor and I replaced him, that Mr. Schmidt's fees, which had already been fixed by Judge Letts, would be paid in full, namely, \$105,000 to Godfrey Schmidt, and \$105,000 to Senator Dodd and to Mr. Joseph Blumenfeld, as well as the monitor fees.

The CHAIRMAN. Do I understand those fees have not yet been paid?

Mr. CRUM. No, sir; they have not been.

The CHAIRMAN. After Judge Letts made the allowance or awarded the amount of fee, was there an appeal from his order?

Mr. CRUM. There was an appeal taken on the last day.

The CHAIRMAN. And that appeal is pending?

Mr. CRUM. No, sir. That appeal has been decided and the fee order was vacated and is now——

The CHAIRMAN. At that time the appeal was pending?

Mr. CRUM. Yes, sir.

The CHAIRMAN. At the time of this conversation?

Mr. CRUM. It was.

The CHAIRMAN. An appeal had been taken?

Mr. CRUM. Yes, sir.

The CHAIRMAN. Subsequent to that, the appeal has been decided?

Mr. CRUM. It has been.

The CHAIRMAN. You may have said, but for my information——

Mr. CRUM. It has been decided by the circuit court of appeals, and the order fixing the fee has been vacated. The appellate court felt that the membership of the union should have actual notice that the judge was empowered to fix the fees. It is now a matter of notice.

The CHAIRMAN. So on appeal it has been vacated?

Mr. CRUM. Yes, sir.

The CHAIRMAN. I was trying to get that straight.

Mr. CRUM. That is correct.

The CHAIRMAN. When was the approximate date of this conversation that you are relating?

Mr. CRUM. As I recall it, it was around the middle of October.

The CHAIRMAN. Last year?

Mr. CRUM. Yes, sir.

The CHAIRMAN. It took place where?

Mr. CRUM. In my home.

The CHAIRMAN. When they proposed that you take the place of Godfrey Schmidt?

Mr. CRUM. That is right.

The CHAIRMAN. And Schmidt's fees, as had been allowed by Judge Letts, would then be paid?

Mr. CRUM. That is correct.

The CHAIRMAN. If any, what other inducement was offered to persuade Schmidt to resign or persuade you to take his place?

Mr. CRUM. In addition, as I recall it, a motion which was then pending before Judge Letts was to be continued.

The CHAIRMAN. What kind of motion? A motion to do what?

Mr. CRUM. A motion to interpret or to construe the terms of the consent order entered by Judge Letts. They wanted that continued.

The CHAIRMAN. All right; proceed.

Senator MUNDT. Mr. Chairman——

The CHAIRMAN. Senator Mundt?

Senator MUNDT. Mr. Crum, did they tell you how they were going to arrange to put you in Mr. Schmidt's place? Did they have the authority to do that?

Mr. CRUM. No, they did not. They could only do that if the plaintiffs in the action nominated me to succeed Mr. Schmidt and Judge Letts approved it.

Senator MUNDT. By what reason did they lead you to feel that they had that power?

Mr. CRUM. I had known Mr. Bridges for many years, Senator, going back to the general strike in San Francisco in 1934, and I think they felt that I would probably take a more sympathetic view toward the Bridges point of view toward trade unionism.

Senator MUNDT. Quite obviously they thought it would be to their advantage if they could put you in Mr. Schmidt's place.

Mr. CRUM. Yes, they did. I think so.

Senator MUNDT. I am trying to figure out what modus operandi they would use to put you in his place. It is one thing to get Mr. Schmidt out, but quite another thing to pick the man that succeeds him.

Mr. CRUM. That is right. That would be by agreement between Mr. Schmidt, the plaintiffs, Mr. O'Donoghue, and Judge Letts.

Senator MUNDT. Did they represent to you that they had such an agreement?

Mr. CRUM. No, sir; they did not.

Senator MUNDT. They were just going to——

Mr. CRUM. They did represent to me that we would go before Judge Letts to seek such approval.

Senator MUNDT. And was part of the quid pro quo that the entire arrangement had to be consummated or would they pay Mr. Schmidt his fees just if he resigned?

Mr. CRUM. No, sir; the fee would be paid contemporaneously with Mr. Schmidt's resignation.

Senator MUNDT. Regardless of whether they succeeded in putting you in as his successor?

Mr. CRUM. That was my understanding.

Senator KENNEDY. In order to have you, then, become the successor to Mr. Schmidt, you would have to be agreeable to Mr. Cunningham and the 13?

Mr. CRUM. Not Mr. Cunningham. He was no longer a plaintiff in the matter.

Senator KENNEDY. So it would be the remaining plaintiffs?

Mr. CRUM. The remaining plaintiffs; yes, sir.

Senator KENNEDY. What happened to Mr. Cunningham in the meanwhile? Did he withdraw?

Mr. CRUM. Well, he had, so far as I know, been put on the payroll of Mr. Hoffa.

Senator KENNEDY. He had been the chief of the plaintiffs?

Mr. CRUM. He had been the first named plaintiff, and I think the chairman of the plaintiffs.

Senator KENNEDY. So in addition, in other words, to attempting to getting rid of Mr. Schmidt, and, in a sense attempting, by being willing to settle fees which up to then they had been unwilling to settle, thereby, in a sense, making a payment to Mr. Schmidt to get off, they had also been able to persuade Mr. Cunningham to withdraw as a plaintiff by putting him on the payroll?

Mr. CRUM. That is my understanding.

Senator KENNEDY. So this is another example of the Teamster Union and Mr. Hoffa playing fast and loose attempting, in a sense, to corrupt justice by a free use of Teamster money to pay off, in a sense, Mr. Schmidt, if he had been willing to accept it, which he was not, and also to pay off Mr. Cunningham, who was the No. 1 name on the list of the plaintiffs.

Mr. CRUM. I agree with you.

Mr. KENNEDY. Did Mr. Goldblatt describe to you what kind of a monitor or what they said they wanted as far as a monitor?

Mr. CRUM. Yes. They wanted a monitor who would go along, in effect, with Judge Wells from Texas, who was the Teamster monitor.

Mr. KENNEDY. They wanted somebody who would cooperate?

Mr. CRUM. That is right.

The CHAIRMAN. I think for the record we ought to get this straight. Under the consent decree, the plaintiffs were to nominate one monitor?

Mr. CRUM. That is correct.

The CHAIRMAN. The defendant another?

Mr. CRUM. That is right.

The CHAIRMAN. And the court, then, of its own motion, appointed the chairman; is that correct?

Mr. CRUM. That is correct.

The CHAIRMAN. So Mr. Schmidt was the plaintiffs' monitor, so to speak?

Mr. CRUM. He was.

The CHAIRMAN. And, thus, they sought to replace him by you with the idea that you would vote with the monitor nominated by the defendants?

Mr. CRUM. That is right.

The CHAIRMAN. And that was the whole theme of the negotiations or the discussions?

Mr. CRUM. That is right.

The CHAIRMAN. All right.

Mr. KENNEDY. Did Mr. Goldblatt say anything to you in that conference about Mr. Hoffa or about the Teamsters?

Mr. CRUM. Yes. He said that both he and Bridges were well aware of the fact that Hoffa had a rather bad background. He said that they both knew that there were gangsters and thieves and thugs and other disreputable characters in the Teamsters Union, but that he, Goldblatt, was confident that a great deal of good could be accomplished through the cooperation between the Teamsters Union and the Bridges union on the coast.

The CHAIRMAN. At that point, I think we should make it clear, whatever your information is, on why was the Bridges union interested in the Teamsters and in this litigation?

Mr. CRUM. Well, I think very clearly, Senator, because by that time they had had in effect an understanding between the Teamsters on the one hand and the Bridges union on the other hand to merge their operations to form a giant transportation union.

The CHAIRMAN. In other words, this was essential, that Mr. Hoffa finally win out in this litigation—

Mr. CRUM. Well, I don't know who was taking over who, Senator.

The CHAIRMAN. I understand. But whichever way it was, unless Mr. Hoffa was successful or the defendants, let's put it, were successful in the litigation pending before Judge Letts, then there might be an impossible barrier.

Mr. CRUM. There would be.

The CHAIRMAN. Therefore, if they could work out the litigation before Judge Letts favorably to the defendants, then there could be a consummation, possibly, of the understanding or agreement that had been worked out for the cooperation of the Longshoremens under Bridges and the Teamsters under Mr. Hoffa?

Mr. CRUM. That is correct.

The CHAIRMAN. That is the picture you want to present?

Mr. CRUM. Yes, sir. That is the truth.

Senator CHURCH. Mr. Chairman?

The CHAIRMAN. Senator Church.

Senator CHURCH. Mr. Crum, when you say that such an alliance was in prospect, is this your surmise due to your general familiarity with the labor union movement or was this a part of the conversation that took place in San Francisco between Harry Bridges and Mr. Goldblatt and yourself?

Mr. CRUM. This is a direct statement by Bridges to me in San Francisco, in August or late July of 1958.

Senator CHURCH. When these conversations occurred to which you have testified?

Mr. CRUM. Yes, sir.

The CHAIRMAN. Senator Mundt.

Senator MUNDT. In the conversations, did it seem that the Longshoremens were going to pick up this legal tab for \$100,000 and pay it from their funds?

Mr. CRUM. I don't think so.

Senator MUNDT. Or were they telling you that the Teamsters would pay it?

Mr. CRUM. The Teamsters would pay it.

Senator MUNDT. What arguments did they use to convince you that Bridges had enough authority with the Teamsters so that he could speak for them and make good on the promise?

Mr. CRUM. Well, I have found, Senator, that Mr. Bridges usually speaks the truth unless he claims the fifth amendment.

Senator MUNDT. We have found that he takes the fifth amendment, so we have had much experience with that other aspect of it.

Mr. CRUM. I think he had the power to bring this about.

Senator MUNDT. At least he told you that he had the power?

Mr. CRUM. Yes, he did.

Senator MUNDT. He said, "I, Harry Bridges, can speak for the Teamsters and can assure you that the Teamsters will pay this money, which will go to Godfrey Schmidt"?

Mr. CRUM. That is right. And that was later confirmed by Goldblatt in a conversation with Hoffa from my home.

The CHAIRMAN. Was Hoffa in your home with Goldblatt?

Mr. CRUM. No, sir; but Goldblatt was.

The CHAIRMAN. You said in a conversation with Hoffa. What do you mean?

Mr. CRUM. Well, Goldblatt called Hoffa from my home to read to him the agreement.

Mr. KENNEDY. Maybe we should follow the chronology. That was a later meeting.

The CHAIRMAN. There was a telephone conversation from your home from Goldblatt to Mr. Hoffa?

Mr. CRUM. There was.

The CHAIRMAN. All right.

Mr. KENNEDY. At this meeting, the one on October 27, did Goldblatt ask you as to what should be done as far as the operation?

Mr. CRUM. Yes. I told him that I thought the Teamsters Union should cooperate with the monitors. I thought they should stop harassing Mr. Schmidt, they should pay him what was due him, and they should behave like decent Americans.

Mr. KENNEDY. Did Goldblatt say then that he would want to talk to some of the rank-and-file people?

Mr. CRUM. He did. He said he wanted to talk to someone of the rank and file of the Teamsters Union, and we made arrangements for him to talk to Pat Kennedy, who is a Teamster rank-and-file member.

Mr. KENNEDY. He is 1 of the 13; is that correct?

Mr. CRUM. He is, yes, sir.

Mr. KENNEDY. So subsequent meetings were arranged with him?

Mr. CRUM. That is correct.

Mr. KENNEDY. And they took place at the Hotel Madison in New York City on October 17?

Mr. CRUM. Yes.

Mr. KENNEDY. Actually, there were several meetings and further conversations along that line?

Mr. CRUM. There were.

Mr. KENNEDY. Finally there was another meeting on Monday evening, October 27, at your home?

Mr. CRUM. That is correct.

Mr. KENNEDY. Present at that meeting was Goldblatt as well as Pat Kennedy?

Mr. CRUM. That is right.

Mr. KENNEDY. At that time, did Goldblatt present this suggestion in writing?

Mr. CRUM. He did.

Mr. KENNEDY. Did he write this out then?

Mr. CRUM. He did.

(At this point Senator Ervin entered the hearing room.)

Mr. CRUM. And I copied it.

Mr. KENNEDY. You copied it down?

Mr. CRUM. I did.

The CHAIRMAN. Did you make a memorandum at that time?

Mr. CRUM. At that time; yes, sir.

The CHAIRMAN. Do you have the original of it?

Mr. CRUM. No, sir. I have it in my files in New York.

The CHAIRMAN. You have it in your files?

Mr. CRUM. Yes.

The CHAIRMAN. I present you what purports to be a photostatic copy of it, and ask you to examine it and state if you identify it as such. (The document was handed to the witness.)

Mr. CRUM. Yes, sir, that is a copy of it.

The CHAIRMAN. That may be made exhibit No. 84.

(Document referred to was marked "Exhibit No. 84" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Preliminary to reading this, Mr. Crum, one of the most important things that was being considered at that time, or the most important thing, was an argument before Judge Letts' court?

Mr. CRUM. That is right.

Mr. KENNEDY. That was on the question of the powers of the monitors?

Mr. CRUM. That is correct.

Mr. KENNEDY. On the question of whether the monitors should have just advisory powers or should have powers beyond that?

Mr. CRUM. That is right.

Mr. KENNEDY. Martin O'Donoghue and Godfrey Schmidt had taken one position, and the representative of the Teamsters Union on the board of monitors had taken the contrary position?

Mr. CRUM. That is right.

Mr. KENNEDY. That was about to be argued before Judge Letts' court?

Mr. CRUM. Yes, sir.

Mr. KENNEDY. One of the matters that they wanted to have done, you found out in the course of these conversations, was to have that motion continued before Judge Letts' court?

Mr. CRUM. They did.

Mr. KENNEDY. Ultimately hoping that it would be dismissed?

Mr. CRUM. That is right.

Mr. KENNEDY. And that the monitors would just resume their activities as advisory?

Mr. CRUM. That is correct.

Mr. KENNEDY. Mr. Chairman, as this document is of such extreme importance, I would like to read it into the record. Would that be all right?

The CHAIRMAN. I will ask. This is your memorandum?

Mr. CRUM. Yes, sir.

The CHAIRMAN. I will ask you to read it into the record.

Mr. CRUM. Yes, sir.

The CHAIRMAN. Read it slowly so we can all get the full import of it.

Mr. CRUM (reading):

(1) Suits by monitors to change or interpret court orders and suit by IBT to remove Schmidt as a monitor to be dropped and monitorship to return to original status.

The CHAIRMAN. What do you mean by "original status"?

Mr. CRUM. Well, the original concept that Ed Williams had, and I assume Hoffa, was that the monitors would be merely advisory.

The CHAIRMAN. With no authority to enforce?

Mr. CRUM. With no authority, yes.

The CHAIRMAN. That is what you meant by "original status"?

Mr. CRUM. Yes, sir; although this was drafted by Mr. Goldblatt, not by me, Senator.

The CHAIRMAN. Do you mean that memorandum?

Mr. CRUM. Yes, sir; it was.

The CHAIRMAN. Is that in his handwriting?

Mr. CRUM. No, sir. It is in my handwriting, but it is a copy of the memorandum drafted by Goldblatt and approved by Hoffa.

The CHAIRMAN. All right. Proceed.

Mr. CRUM (reading):

(2) Other suits involving monitors, directly or indirectly, such as Cunningham suit, action by IBT regarding fees for services of monitors and attorneys to be dropped. All fees to be paid.

Mr. KENNEDY. That IBT is, I believe, International Brotherhood of Teamsters.

Mr. CRUM. Right.

Mr. KENNEDY. It says:

Other suits involving monitors, directly or indirectly, such as Cunningham suit.

Mr. CRUM. Yes. I was rather interested in the fact that Mr. Goldblatt said he had authority to dispose of the Cunningham action, inasmuch as Cunningham purported to be an independent person.

Mr. KENNEDY. But did he indicate there wouldn't be any difficulty about it?

Mr. CRUM. There would be no difficulty.

Mr. KENNEDY. So that all the suits against Godfrey Schmidt were going to be disposed of?

Mr. CRUM. That is right.

(3) Pat Kennedy to be restored to full book membership.

The CHAIRMAN. Full membership in what?

Mr. CRUM. In the Teamsters Union.

The CHAIRMAN. Had he been expelled?

Mr. CRUM. Yes; he had.

The CHAIRMAN. All right.

Mr. CRUM (reading):

(4) Inasmuch as Schmidt has decided to resign as monitor because of the pressure of other work, and feels that the initial purpose of his tenure as monitor has been served, he asks the rank-and-file committee to designate Bartley Crum, in whom he has complete confidence, in his place.

(5) Bartley Crum will agree to serve as monitor with the sole objective of resolving remaining problems in trade union democracy so as to complete the tasks to which the monitors were assigned and which are preliminary to the calling of a new convention.

That completes the reading.

The CHAIRMAN. Read that last again. I don't quite get the ring of it.

Mr. CRUM (reading):

Bartley Crum will agree to serve as monitor with the sole objective of resolving remaining problems in trade union democracy so as to complete the tasks to which the monitors were assigned and which are preliminary to the calling of a new convention.

The CHAIRMAN. That is a little vague. What did you understand that to mean at the time?

Mr. CRUM. I understood Mr. Goldblatt to state that Mr. Hoffa and Mr. Williams wanted a continuance of the motion pending before Judge Letts to define that powers of the monitors, with the ultimate objective of dismissing that motion.

The CHAIRMAN. In other words, having no further contest about it, did you understand that you were to take that position, that the monitors were only advisory?

Mr. CRUM. That is right, sir.

The CHAIRMAN. And that you proceed along that line?

Mr. CRUM. That does not mean I agreed to take such a position.

The CHAIRMAN. I did not necessarily imply you had agreed to that, but that was the proposal. That is what was in the proposition that you were being given an opportunity to consider?

Mr. CRUM. That is right.

The CHAIRMAN. I do not quite understand about this document. You say this document is in your handwriting?

Mr. CRUM. Yes; it is.

The CHAIRMAN. But you copied that document from the one written out at the time by Goldblatt?

Mr. CRUM. It had been written out prior to his coming to my home. I wanted a copy of it.

The CHAIRMAN. He brought it there with him. This is what he presented to you?

Mr. CRUM. That is right.

The CHAIRMAN. His own notes, his own proposition?

Mr. CRUM. That is right.

The CHAIRMAN. You simply made a copy of it.

Mr. CRUM. That is all.

The CHAIRMAN. So you could keep it for your own information, your files.

Mr. CRUM. That is correct.

The CHAIRMAN. So you would be very accurate as to what he did propose.

Mr. CRUM. That is correct.

Senator CURTIS. Mr. Chairman.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Crum, did you accept the idea that the power of the monitors was merely advisory?

Mr. CRUM. Never.

Senator CURTIS. I am interested in that because, as I recall, I think it was Mr. Williams who stated to this committee that the Teamsters Union submitted themselves to the equity powers of the court.

Mr. CRUM. That is right.

Senator CURTIS. When you do that, you are before the court for all purposes.

Mr. CRUM. That is right.

Senator CURTIS. Subject to the full jurisdiction on all the subject matter.

Mr. CRUM. That is right.

Senator CURTIS. The court has ample powers to make rulings and orders with respect to all the facts.

Mr. CRUM. And the circuit court has so held in this case.

Senator CURTIS. Now, in reference to the tender of a position as monitor to you, was that being engineered by the same parties in the action who had nominated Mr. Schmidt?

Mr. CRUM. No; tendered by Mr. Goldblatt, acting, as I understood it, for Mr. Hoffa.

Senator CURTIS. What power did they have to tender such an offer?

Mr. CRUM. They have no power. I suppose anybody can say anything he wishes, Senator, but in terms of power they have actually no power unless Schmidt acquiesced, which he never did.

Senator CURTIS. Is Mr. Schmidt still a monitor?

Mr. CRUM. No, sir; he has resigned and he has not been paid.

Senator CURTIS. How was his successor nominated?

Mr. CRUM. By the plaintiffs in the matter.

Senator CURTIS. So far as you know, the plaintiffs never surrendered their right or delegated that authority to anybody else?

Mr. CRUM. Never.

Senator CURTIS. That is all.

Mr. KENNEDY. Now, at this meeting that you had, this other meeting, and where Mr. Goldblatt brought in his proposition in writing, and you copied it down, was a question raised as to whether Mr. Hoffa was going to go along with this?

Mr. CRUM. Yes; there was.

Mr. KENNEDY. Who raised that question?

Mr. CRUM. I raised it.

Mr. KENNEDY. Did you find out whether he was, in fact, speaking for Mr. Hoffa?

Mr. CRUM. I did raise that question.

Mr. KENNEDY. What was done then?

Mr. CRUM. Mr. Goldblatt then placed a telephone call to Mr. Hoffa in Washington.

Mr. KENNEDY. What ensued after that?

Mr. CRUM. Mr. Hoffa was on the other end of the telephone. I talked with him. We read this document over and he said it met with his full approval, but that he had to take it up with Ed Williams.

Mr. KENNEDY. He did state that at that time on the telephone?

Mr. CRUM. Yes; he did.

The CHAIRMAN. Did you recognize Mr. Hoffa's voice?

Mr. CRUM. I did.

Mr. KENNEDY. Now, was there any question in Mr. Hoffa's mind when you had this conversation with him that this proposal had been made by Mr. Goldblatt rather than yourself?

Mr. CRUM. No.

Mr. KENNEDY. Can he state this was a proposition offered by Mr. Bartley Crum on behalf of Godfrey Schmidt?

Mr. CRUM. I don't see how he could.

Mr. KENNEDY. In the conversation you had with Mr. Hoffa at that time, was that made clear, or was it clear from the conversation?

Mr. CRUM. It was clear from the conversation that the proposal had come from Hoffa.

Mr. KENNEDY. There was no question about that?

Mr. CRUM. No doubt whatever.

Mr. KENNEDY. Now, during this period of time did you feel that there was something improper if not illegal in what was happening?

Mr. CRUM. I would think it would be improper if Mr. Schmidt would, in fact, accept money, even though he had earned it.

Mr. KENNEDY. Wasn't this, in fact, a bribe that was being offered?

Mr. CRUM. It would be if his successor were a stooge for Hoffa, of course.

Mr. KENNEDY. Even if his successor was not—what I am getting to is whether these activities were then reported to the Federal Bureau of Investigation.

Mr. CRUM. Yes; they were.

Mr. KENNEDY. During this period of time.

Mr. CRUM. They were.

Mr. KENNEDY. Were they kept fully advised?

Mr. CRUM. Completely informed.

Mr. KENNEDY. As to what suggestions had been made on behalf of Mr. Hoffa?

Mr. CRUM. They were, as well as Judge Letts.

Mr. KENNEDY. He was informed, himself?

Mr. CRUM. He was.

Mr. KENNEDY. That started back in October?

Mr. CRUM. No; that started, I believe, in July.

Mr. KENNEDY. They were informed right from the beginning, then?

Mr. CRUM. From the beginning.

Senator KENNEDY. Why did you feel it necessary to inform the FBI and Judge Letts? Was it because you felt they were improper?

Mr. CRUM. Yes; I did feel they were improper.

Senator KENNEDY. Did you feel it was an attempt to pervert justice in this regard?

Mr. CRUM. Yes; to obstruct the process of the court. Mr. Schmidt is an officer of the court. This was obviously an attempt to influence a decision of the board of monitors, it seems to me.

Senator KENNEDY. It was really an example of an attempt to fix the case in favor of Mr. Hoffa.

Mr. CRUM. That is correct.

Senator MUNDT. In this attempted bribery, and it looks like it was an attempt to bribe the man with his own money, did they go beyond

the limitations of what was owed Mr. Schmidt and offer anything beyond that?

Mr. CRUM. They offered to pay \$105,000, which had been fixed as Mr. Schmidt's fee, plus interest, plus all of his monitor fees, without any question. Up until that time they had objected strenuously to the payment of the fees fixed by Judge Letts, and they said that Mr. Schmidt was very exorbitant in what he was charging as a monitor.

Senator MUNDT. So this was actually a more generous offer than just paying him his fee.

Mr. CRUM. Far more generous.

Senator MUNDT. Have they paid the other monitors?

Mr. CRUM. Yes; they have.

Senator MUNDT. They have just held out on Mr. Schmidt?

Mr. CRUM. That is correct.

Senator CURTIS. Also, would it not deprive the plaintiffs of their basic right to name a monitor?

Mr. CRUM. It would have if it had been carried out, of course.

(At this point Senator McClellan withdrew from the hearing room.)

Senator CURTIS. Was there anything said that would indicate these people thought they could influence the plaintiffs in accepting such fees?

Mr. CRUM. No. I think that probably was the reason why Mr. Goldblatt wanted to meet with Mr. Kennedy, who was one of the chief plaintiffs in the action, to sound him out. I think that must be the reason.

Senator CURTIS. That is all.

Senator ERVIN. Had Judge Letts fixed the fee for Mr. Schmidt?

Mr. CRUM. Yes; he fixed his fee in June of 1958.

Senator ERVIN. Was it the same amount or a different amount from the \$105,000?

Mr. CRUM. No; it was \$105,000. Mr. Williams had assured me and my partner, one of my partners, Mr. Feuer, that no appeal would be taken from Judge Letts' ruling.

Senator ERVIN. In other words, it was an offer to pay an amount that had been fixed by Judge Letts?

Mr. CRUM. That is correct.

Senator ERVIN. Now, you spoke also of the fact that the offer embraced an offer to pay the monitor fees. They had been fixed by Judge Letts?

Mr. CRUM. No, sir; they had not.

Senator ERVIN. Did the offer set out any amount?

Mr. CRUM. No; it did not; but, whatever it was, Hoffa indicated on the telephone he would be willing to pay.

Mr. KENNEDY. Tell me, in this conversation did Hoffa raise a question as to what was going to happen in the court case? Did he question what would happen to the petition of the monitors?

Mr. CRUM. Yes. He expected, I think, that the petition of the monitors would be first continued and then dropped.

Mr. KENNEDY. So that question as to how that was going to be resolved was raised by Mr. Hoffa in that conversation?

Mr. CRUM. Yes; through Goldblatt and directly with me.

Mr. KENNEDY. Then did you have some further conversations after you talked with Mr. Hoffa?

Mr. CRUM. There was a further conversation that night, I think, in the latter part of October.

Mr. KENNEDY. Did you call Mr. Hoffa back again?

Mr. CRUM. No; Mr. Goldblatt did, and told him we had not resolved the procedures, as I recall it. Mr. Williams was to see Mr. O'Donoghue about that matter of getting the petition put over or continue it.

(At this point Senator McClellan entered the hearing room.)

Mr. KENNEDY. Did Hoffa ask you in the conversation if you in fact spoke for Godfrey Schmidt?

Mr. CRUM. Yes; he did.

Mr. KENNEDY. What did you reply?

Mr. CRUM. I said I did not speak for him. I would have to talk to him.

Mr. KENNEDY. Did you go back and talk to him then?

Mr. CRUM. Yes.

Mr. KENNEDY. You saw him on Tuesday, October 28?

Mr. CRUM. I did.

Mr. KENNEDY. What was decided at that time?

Mr. CRUM. Mr. Schmidt said he would not resign under any circumstances until the court had clearly defined the powers of the monitors.

Mr. KENNEDY. During this conversation that you had did Mr. Goldblatt indicate where this idea came from originally?

Mr. CRUM. No; he did not.

Mr. KENNEDY. Did Hoffa in the conversation state that he would have to discuss——

Mr. CRUM. I think it came, if I may say so, from Mr. Cheyfitz, who is now dead. I have a recollection that this idea came from him, but I may be wrong.

Mr. KENNEDY. What was his function at that time?

Mr. CRUM. He was an associate of Mr. Williams.

Mr. KENNEDY. Did Mr. Hoffa say that he was going to have to discuss this whole matter with anyone?

Mr. CRUM. With Mr. Williams; yes.

Mr. KENNEDY. Then on October 28, as you pointed out, you and Kennedy made a full report to Godfrey Schmidt?

Mr. CRUM. Yes; we did.

Mr. KENNEDY. At that time did Godfrey Schmidt state there should be documentation on all of this?

Mr. CRUM. He did say so. He insisted on it.

Senator CURTIS. When was Mr. Schmidt appointed?

Mr. CRUM. I believe at the end of January 1959.

Senator CURTIS. That is all.

Mr. KENNEDY. Then did you meet again with Lou Goldblatt?

Mr. CRUM. I don't recall meeting with him.

Mr. KENNEDY. Did you meet with him at the Fifth Avenue Hotel?

Mr. CRUM. Yes.

Mr. KENNEDY. On October 29?

Mr. CRUM. That is right.

Mr. KENNEDY. Who set that meeting up?

Mr. CRUM. Mr. Goldblatt.

Mr. KENNEDY. Who was present at that?

Mr. CRUM. Mr. Goldblatt, Mr. Kennedy, and myself.

Mr. KENNEDY. What was discussed at that time?

Mr. CRUM. At that time there was a discussion as to whether we would come to Washington or Mr. Hoffa and Mr. Williams would come to New York.

Mr. KENNEDY. What time of the day did you meet there?

Mr. CRUM. I think it was in the morning if I am not mistaken.

Mr. KENNEDY. Mr. Goldblatt then called?

Mr. CRUM. Yes; he placed a call in the lobby he said to Mr. Hoffa and to Mr. Williams.

Mr. KENNEDY. What was the result of that?

Mr. CRUM. He said that the result was that Mr. Williams could not come up to New York, neither could Mr. Hoffa, and we would have to go to Washington.

Mr. KENNEDY. Did you in fact go to Washington?

Mr. CRUM. We did.

Mr. KENNEDY. Who went to Washington?

Mr. CRUM. I went to Washington; my law partner, Mr. Feuer, went to Washington. I think Mr. Cheyfitz was also on the plane.

Mr. KENNEDY. Pat Kennedy, also?

Mr. CRUM. And Pat.

Mr. KENNEDY. Where did you go?

Mr. CRUM. We went directly to Mr. Williams' office.

Mr. KENNEDY. Did you have a meeting at that time?

Mr. CRUM. We did.

Mr. KENNEDY. What was discussed at that time?

Mr. CRUM. There was a discussion about Mr. Brennan. I remember very well, because Mr. Williams said that Mr. Brennan was a thief who had stolen money and should be indicted and tried and put in jail, and Mr. Cheyfitz differed with him. He said he only misappropriated a few dollars with the approval of some trustees.

Mr. KENNEDY. That is Owen Bert Brennan?

Mr. CRUM. Yes.

Mr. KENNEDY. What other discussion?

Mr. CRUM. There was also discussion about the monitorship. Mr. Cheyfitz said if I should state Mr. Schmidt wanted to succeed Mr. Wells. Mr. Williams objected to this in rather violent terms.

Mr. KENNEDY. There was discussion at that time about the fee settlement?

Mr. CRUM. Yes; there was.

Mr. KENNEDY. And about the fact that there should be something done in connection with the court case that was then pending?

Mr. CRUM. Pending motions; yes.

Mr. KENNEDY. Was it decided that you would then meet with Mr. Hoffa himself?

Mr. CRUM. That night.

Mr. KENNEDY. Did you in fact meet with Mr. Hoffa?

Mr. CRUM. We did, 8 o'clock at night in the Teamsters Building.

Mr. KENNEDY. That is Wednesday, October 29?

Mr. CRUM. Yes, sir.

Mr. KENNEDY. Who was present at that meeting?

Mr. CRUM. Mr. Hoffa, Mr. Gibbons, Mr. Williams, Mr. Cheyfitz, myself, Mr. Bergan.

Mr. KENNEDY. That is Ray Bergan?

Mr. CRUM. Ray Bergan, Mr. Williams, Mr. Feuer and myself and Pat Kennedy.

Mr. KENNEDY. And Mr. Hoffa.

Mr. CRUM. Of course.

Mr. KENNEDY. What was discussed at that meeting?

Mr. CRUM. This whole agreement was gone over and approved by Mr. Hoffa at that time. Then after that Mr. Williams and Mr. Hoffa retired to another room for a conference, and they were subsequently joined by Mr. Gibbons and Mr. Cheyfitz.

Mr. KENNEDY. Did Mr. Hoffa raise the question at that time, even if this agreement was made, whether in fact that would get rid of the court case that was then pending?

Mr. CRUM. Yes, he did. He said that Mr. Williams would have to get in touch with Mr. O'Donoghue on that point.

Mr. KENNEDY. Of course, that was the key matter; was it not?

Mr. CRUM. It was the key matter.

Mr. KENNEDY. To try to get that continued and then dismissed, and they felt that if they could get two monitors on there, then this would never have to be argued before Judge Letts.

Mr. CRUM. That is right.

(At this point the following members of the select committee were present: Senators McClellan, Mundt, Goldwater, Church, Curtis, Ervin, Kennedy, and Capehart.)

Mr. KENNEDY. As it was already before Judge Letts' court, it was a question of trying to get it continued and then trying to get it dismissed at a later time?

Mr. CRUM. That is correct.

Mr. KENNEDY. Mr. Hoffa raised this question. There was discussion outside of your hearing, in another room, and they came back in. What was said then?

Mr. CRUM. At that time it was said that Mr. Williams would have to get in touch with Mr. O'Donoghue, and Mr. Williams stated that he was afraid of him, that he was afraid of Mr. Schmidt, because Mr. Schmidt was whistling for the cops.

Mr. KENNEDY. Was it decided that he would, in fact, talk to him?

Mr. CRUM. Yes; it was.

Mr. KENNEDY. At that time, Mr. Williams left; did he?

Mr. CRUM. Yes; he did.

Mr. KENNEDY. Who was left in the room then?

Mr. CRUM. Well, we all left, except for a slight meeting—a short meeting with Mr. Hoffa and myself and Mr. Kennedy.

Mr. KENNEDY. While you were there, did Mr. Feuer raise some questions?

Mr. CRUM. Yes; he did. Mr. Feuer innocently raised several questions with Mr. Hoffa. He said, in effect, "Wasn't the problem one of having a secret ballot for the members of the Teamsters Union so that they could elect officers of their own choice; and shouldn't there be an accounting?" Mr. Hoffa turned to me and he said, "What is the matter with this fellow? He must be out of his mind. In the Teamsters Union, every man stands up and has his vote counted and God help him if he votes the wrong way."

Mr. KENNEDY. Then you left that meeting; is that right?

Mr. CRUM. Yes, sir.

Mr. KENNEDY. There was some discussion with Mr. Hoffa about Pat Kennedy?

Mr. CRUM. There was, and he said that would be difficult to obtain because of New York.

Mr. KENNEDY. To have Mr. Pat Kennedy get his book back?

Mr. CRUM. That is right.

Mr. KENNEDY. But that if he was directed to do so——

Mr. CRUM. By the Board of Monitors, he would do it.

Mr. KENNEDY. That would be an excuse for him to take the action.

Mr. CRUM. That is right.

Mr. KENNEDY. Did he have any statement about Brennan?

Mr. CRUM. Yes. He mentioned the fact that Mr. Brennan had called him and said that he, Brennan, would not stand still for a trial; that if he were called or indicted or tried he would spill his guts on Hoffa. And Hoffa said that he told him to keep his shirt on, that nothing was going to happen.

Senator KENNEDY. Mr. Crum, in your reporting of these conversations, did you make some sort of a record afterward?

Mr. CRUM. I did. I made records every time a meeting occurred.

Senator KENNEDY. So that when you give us a report of the remarks which Mr. Hoffa made, or other people, this is based upon the memorandums that you prepared after the meetings?

Mr. CRUM. Yes, they are.

The CHAIRMAN. Do you have the original memorandums?

Mr. CRUM. I do, in my files. I have copies, Senator. I sent letters to Godfrey Schmidt.

The CHAIRMAN. Have you provided copies of those memorandums to the committee?

Mr. CRUM. I have, sir.

The CHAIRMAN. And you have the originals in your files subject to inspection?

Mr. CRUM. Yes, I do.

The CHAIRMAN. All right.

Mr. KENNEDY. Thereafter, you, Feuer, and Pat Kennedy returned to New York; is that right?

Mr. CRUM. That is right.

Mr. KENNEDY. Then on Thursday, October 30, there was a meeting in your law firm, at which it was decided definitely that you wouldn't consider being a monitor?

Mr. CRUM. That is right.

Mr. KENNEDY. Then on Friday, October 31, did you receive a telephone call from Mr. Williams?

Mr. CRUM. I did.

Mr. KENNEDY. What was discussed at that time?

Mr. CRUM. Well, as I recall it, Mr. Williams was having some difficulty with his court calendar. He has quite an extensive law practice. He was very busy.

Mr. KENNEDY. Had he told you about the fact that he had seen Mr. O'Donoghue?

Mr. CRUM. Yes. He repeated that O'Donoghue was afraid to talk with him. I think that he had talked with Mr. O'Donoghue and Mr. O'Donoghue was reserving a decision, as I recall it, at that time.

Mr. KENNEDY. Did you understand subsequently that Mr. O'Donoghue stated that he was going to go ahead with the case?

Mr. CRUM. Yes, he did.

Mr. KENNEDY. So there wasn't any possibility, then, to try to get a continuance and, therefore, a dismissal?

Mr. CRUM. There was no possibility.

Mr. KENNEDY. Then on November 5, did you receive a telephone call from Mr. Harry Bridges?

Mr. CRUM. I did.

Mr. KENNEDY. What did he state to you at that time?

Mr. CRUM. Mr. Bridges said that he regreted to hear that I would not serve as a monitor in this matter. I told him that I thought that what Hoffa wanted was a stooge, not a monitor.

Mr. KENNEDY. Did you tell him at that time that prior to Schmidt's agreeing to go along with this, there would have to be certain things in writing?

Mr. CRUM. Yes, I did.

Mr. KENNEDY. And that they would include stipulation—well, you tell us.

Mr. CRUM. Well, they included stipulations in relation to these various actions and, of course, certified collection for the full amount of the fees, and compliance by the Teamsters International with the orders theretofore issued by the monitors. That would be some evidence, I thought, of good faith.

Mr. KENNEDY. Did Mr. Bridges ask you if you would consider succeeding Schmidt under any circumstances?

Mr. CRUM. Yes, he did.

Mr. KENNEDY. What did he say?

Mr. CRUM. I said I would, I think, if the conditions were met, but I was convinced by that time that it was pretty impossible to try to do any business with Hoffa.

Mr. KENNEDY. There must have been some, then—at least some serious consideration of these offers.

Mr. CRUM. I think there was.

Mr. KENNEDY. Do you feel—

Mr. CRUM. I think that the Board of Monitors can perform a very great public service, Mr. Kennedy, if they carry out their functions as defined in the consent order.

Mr. KENNEDY. Do you think it would have been proper to make these arrangements?

Mr. CRUM. In retrospect, I don't think it would have been possible, with Mr. Hoffa continuing as president; no, sir.

Mr. KENNEDY. Well, to make the arrangements, do you think it would have been proper to make the arrangements that Mr. Schmidt would have received his fee in return for his resignation?

Mr. CRUM. I think it would have been possible to have done that.

Mr. KENNEDY. I understand it would have been possible. Do you think it would have been proper?

Mr. CRUM. No, I don't.

Mr. KENNEDY. Then on the night of November 6, Mr. Goldblatt telephoned you?

Mr. CRUM. Yes, he did.

Mr. KENNEDY. From San Francisco. What did he tell you at that time?

Mr. CRUM. I really have forgotten; there have been so many conversations with Goldblatt and Bridges.

Mr. KENNEDY. Did he mention the fact that he had talked to Jimmy Hoffa?

Mr. CRUM. Yes.

Mr. KENNEDY. Your memorandums show that?

Mr. CRUM. Yes.

Mr. KENNEDY. What did he say? Does that refresh your recollection?

Mr. CRUM. No, it doesn't really. I had forgotten what Hoffa had said.

Mr. KENNEDY. Did he make any statement about the fact that Mr. Williams was fully authorized?

Mr. CRUM. Oh, yes, that Williams was authorized, finally, to conclude arrangements.

Mr. KENNEDY. And to settle all existing matters with Schmidt?

Mr. CRUM. Yes. But I had heard that before.

Mr. KENNEDY. Then Goldblatt called back and asked you to telephone Eddie Cheyfitz at his home?

Mr. CRUM. Yes, he did.

Mr. KENNEDY. Did he tell you that Williams would be there?

Mr. CRUM. Yes, he did, and Williams was there.

Mr. KENNEDY. On Goldblatt's suggestion you did call Eddie Cheyfitz' home?

Mr. CRUM. I did.

Mr. KENNEDY. And you talked with Edward Bennett Williams?

Mr. CRUM. Yes. That is what my records show.

Mr. KENNEDY. What did Williams state to you at that time?

Mr. CRUM. I think Williams was then coming up to New York, if I am not mistaken. Was he not?

I have forgotten.

Mr. KENNEDY. Was there a question in that conversation as to who should draw the documents?

Mr. CRUM. Yes. Williams said he was so busy he couldn't draw them, and he put it to me that I should.

Mr. KENNEDY. Did you agree?

Mr. CRUM. No, I did not.

Mr. KENNEDY. Why not?

Mr. CRUM. Because I wanted Williams to show some evidence of good faith by at least drawing the documents, by documenting this matter.

Mr. KENNEDY. But he would not draw them at that time?

Mr. CRUM. He said he could not, physically.

Mr. KENNEDY. Did he state at that time that he thought there was a possibility of a trap being involved in this?

Mr. CRUM. Yes. He mentioned the word "entrapment" on several occasions. He felt that Godfrey Schmidt was always trying to entrap him—or at least he so stated—that Schmidt was always "blowing the whistle for the cops." as he put it.

Mr. KENNEDY. Was that the last you heard of it until June of this year?

Mr. CRUM. Yes.

Mr. KENNEDY. After not getting a continuance from Judge Letts and the matter going ahead the following week, then it was left in abeyance?

Mr. CRUM. It was.

Mr. KENNEDY. Then you heard again in June of this year?

Mr. CRUM. Yes, directly after the circuit court of appeals decided this case.

The CHAIRMAN. Senator Church.

Senator CHURCH. Mr. Crum, when was it that you reported these matters to the FBI?

Mr. CRUM. I reported them immediately.

Senator CHURCH. What do you mean by "immediately"?

Mr. CRUM. The next day, or sometimes on the very day on which they occurred.

Senator CHURCH. Was this in November that you made the report?

Mr. CRUM. No. The first report was made in July—according to the request of Judge Letts—to the FBI, and thereafter continued.

Senator CHURCH. When did your first conversations occur when Harry Bridges and Goldblatt were intermediaries in San Francisco?

Mr. CRUM. I would say that was some time late in July.

Senator CHURCH. Late in July?

Mr. CRUM. I think so.

Senator CHURCH. Did you commence making these reports to the FBI then?

Mr. CRUM. Yes, I did.

Senator CHURCH. While you were still entertaining this proposition, and prior to the time that you decided against it?

Mr. CRUM. That is right.

Senator CHURCH. You didn't make the final decision against it until November; is that correct?

Mr. CRUM. No, sir.

Senator CHURCH. Yet from the beginning, you didn't make the final decision until November?

Mr. CRUM. No, sir.

Senator CHURCH. Yet in the beginning, when the proposition was first put to you in San Francisco, wasn't it your understanding that this was, in effect, an attempt to remove Mr. Schmidt, one of the three monitors, to pay him off, so to speak, and to get rid of him, and to substitute in his place one who would be more acceptable to the Teamsters?

In other words, this was an attempt to stack the monitors 3 to 2 in favor of the Teamsters?

Mr. CRUM. That is, I think, what they thought; yes, sir.

Senator CHURCH. And you understood from the beginning that this was their objective?

Mr. CRUM. That was their objective.

Senator CHURCH. Why did it take you until November, then, to decide against accepting?

Mr. CRUM. Well, I would have been a stooge for Mr. Hoffa had I accepted it. My firm turned it down on other grounds. Many employers are afraid of the Teamsters Union. We represent, for example, the Pepsi-Cola Co. The delivery of that beverage would be seriously

interfered with if Mr. Hoffa decided not to deliver any Pepsi-Cola, and we were so informed. That was one of the reasons that we turned down Mr. Schmidt's suggestion that I should succeed him.

Senator CHURCH. During this time, you were also aware of attempts that were being made to reach the original plaintiffs. You testified earlier, I think, that one of those, Mr. Cunningham, had been put on Mr. Hoffa's payroll. Is that correct?

Mr. CRUM. That was my understanding.

Senator CHURCH. How many of these original plaintiffs were there?

Mr. CRUM. There were 13. There are 12 remaining.

Senator CHURCH. Mr. Cunningham—

Mr. CRUM. They have reached only one, so far as I know.

Senator CHURCH. I see.

Senator CURTIS. Mr. Chairman—

The CHAIRMAN. Senator Curtis?

Senator CURTIS. I will pass at this time. Excuse me.

The CHAIRMAN. Senator Ervin?

Senator ERVIN. You had the conviction that there was a real public service that could be rendered by the monitors?

Mr. CRUM. Yes, sir.

Senator ERVIN. And I presume that you had been in some contact, some negotiations, with a view to determining whether there was a possibility that conditions could be agreed upon under which you felt that possibly you could serve as a monitor and still be allowed to exercise your own independent judgment, as such?

Mr. CRUM. That is right, Senator. I might say that I was somewhat influenced by my knowledge of Mr. Schmidt's financial condition. He was harassed by his creditors. He has a large family. He has six children. He has not been paid. It was my duty, as I saw it, as his lawyer, to get him paid.

Senator ERVIN. In other words, the monitorship required him to devote virtually all of his time to the task?

Mr. CRUM. Ninety percent.

Senator ERVIN. Due to the delay in the payment of his fees he was getting into somewhat bad condition financially?

Mr. CRUM. Yes, sir; that is right.

Senator CURTIS. Mr. Chairman, one question.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. You made reference to employers being afraid of the Teamsters Union.

Mr. CRUM. Yes, I did.

Senator CURTIS. What could the president of the Teamsters Union do to interfere with the delivery of Pepsi-Cola?

Mr. CRUM. He could order the trucks not to carry the bottles of Pepsi-Cola, for example.

Senator CURTIS. Would that be a violation of law?

Mr. CRUM. In my judgment it should be a violation.

Senator CURTIS. I agree it should be.

Mr. CRUM. I don't know. I know the threat was made. I think if it were put in action the company would be seriously damaged.

Senator CURTIS. Isn't it true that what is back of this practice is a showing of the amount of excess power?

Mr. CRUM. No question about it.

Senator CURTIS. The way to get at the corruption is to remove the excess power.

Mr. CRUM. To remove the power; that is right.

The CHAIRMAN. Senator Mundt?

Senator MUNDT. You said the threat was made that they would not deliver the bottles of Pepsi-Cola?

Mr. CRUM. Yes, sir; it was.

Senator MUNDT. Can you tell us something about the circumstances under which the threat was made?

Mr. CRUM. Yes. When my name was first suggested, I have forgotten the name of the man who represented Mr. Hoffa, but he told the senior partner, Mr. Mortimer Hayes, that we had better be careful because Hoffa had told him that if my firm represented Schmidt there might not be any deliveries of Pepsi-Cola.

Senator MUNDT. The threat was made in connection with your representing Schmidt, not in connection with what hold they might have on you?

Mr. CRUM. That is right.

Senator MUNDT. In case you became a monitor?

Mr. CRUM. That is right.

The CHAIRMAN. We will stand in recess until 2:15.

(Members of the select committee present at time of recess: Senators McClellan, Mundt, Ervin, Goldwater, Curtis, Church, and Capehart.)

(Whereupon, at 12:57 p. m., the select committee recessed, to reconvene at 2:15 p.m. the same day.)

AFTERNOON SESSION

(The select committee reconvened at 2:15 p.m., Senator John L. McClellan (chairman of the select committee) presiding.)

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at time of reconvening: Senators McClellan and Goldwater.)

TESTIMONY OF BARTLEY C. CRUM—Resumed

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. I believe that we came up into November on this matter we were discussing this morning.

Mr. CRUM. Yes, sir.

Mr. KENNEDY. It was dropped from November until about June of this year; is that correct?

Mr. CRUM. That is correct.

(At this point Senator Ervin entered the hearing room.)

Mr. KENNEDY. Then around early June, the circuit court of appeals handed down its decision?

Mr. CRUM. It did.

Mr. KENNEDY. Confirming the fact that the monitors had more than advisory powers?

Mr. CRUM. Yes, sir.

Mr. KENNEDY. Following this decision in the circuit court, did you receive a telephone call?

Mr. CRUM. I did. I received a telephone call from Mr. Louis Goldblatt.

Mr. KENNEDY. What did Mr. Goldblatt state at that time?

Mr. CRUM. Mr. Goldblatt asked me if we could renew the so-called deal between ourselves and the Teamsters Union.

Mr. KENNEDY. What further was discussed?

Mr. CRUM. And he said that in order to make certain this time that it would not fall through, that we should put the documents in escrow with Gen. Telford Taylor, of New York, who is Harry Bridges' lawyer.

Mr. KENNEDY. What documents were they going to be?

Mr. CRUM. They were certified checks to Mr. Godfrey Schmidt for \$105,000, plus his monitor's fees, which at that time, I think, amounted to around \$45,000 or \$50,000; certified checks to Mr. Joseph Blumenfeld, of Connecticut, and Senator Thomas Dodd, of Connecticut, plus Mr. Schmidt's resignation and my nomination as monitor.

Mr. KENNEDY. The letter of resignation from Godfrey Schmidt?

Mr. CRUM. That is correct.

Mr. KENNEDY. And the nomination of you?

Mr. CRUM. That is correct.

Mr. KENNEDY. Those three matters were to be placed in escrow?

Mr. CRUM. Right.

Mr. KENNEDY. What did you do then? Did you discuss it with Mr. Schmidt?

Mr. CRUM. I did discuss it with Mr. Schmidt, and he authorized me to go ahead. We kept the judge advised, through Mr. Schmidt, of what was going on.

The CHAIRMAN. Judge who?

Mr. CRUM. Judge Letts.

The CHAIRMAN. I might ask at this point, Was he advised about these proposals and negotiations at all times?

Mr. CRUM. Yes, sir; he was, by Mr. Schmidt.

The CHAIRMAN. From the very beginning?

Mr. CRUM. Yes, sir. He was advised early in July of 1958, and Mr. Williams and I and Mr. Schmidt had a meeting with Judge Letts about this very matter. At that time, Mr. Williams said to Judge Letts that he was not at all sure that Mr. Hoffa was loyal to him, and that there might be some truth to the suggestion that they were trying to get rid of Schmidt and get rid of Williams.

Mr. KENNEDY. When you talk about the fact that you went to see Judge Letts in that matter, and Mr. Williams, that was an entirely different approach?

Mr. CRUM. Yes, sir; it was.

Mr. KENNEDY. That was a different group?

Mr. CRUM. It was.

Mr. KENNEDY. It is slightly complicated, but was there a third group that came in from the outside, the lawyer by name of Labruzzo?

Mr. CRUM. That is right. And a lawyer named Feinstein and a lawyer named Feldschuh.

The CHAIRMAN. Let's get back to these other negotiations by Bridges and Goldblatt.

Mr. CRUM. They were later, Senator.

The CHAIRMAN. Were those conferences and proposals reported to Judge Letts?

Mr. CRUM. Yes, sir; they were, at all times.

The CHAIRMAN. And also to the FBI?

Mr. CRUM. Yes, sir; they were, from the very beginning.

The CHAIRMAN. The very beginning?

Mr. CRUM. Yes, sir; from the very beginning.

Mr. KENNEDY. The conversation you had where Mr. Williams was present dealt with the approach made by these other lawyers rather than the approach made by Bridges?

Mr. CRUM. That is right.

Mr. KENNEDY. At that time, according to the approaches made by these other lawyers, in addition to getting rid of Godfrey Schmidt, there was some indication also that Mr. Hoffa wanted to get rid of Mr. Williams at that time?

Mr. CRUM. Yes; there was.

Mr. KENNEDY. So there was some discussion along those lines?

Mr. CRUM. Yes; and Mr. Williams expressed himself at that time as not being sure of Mr. Hoffa.

Mr. KENNEDY. As far as Mr. Hoffa perhaps wanting to get rid of him?

Mr. CRUM. That is right. He was just as anxious as we were at that time that an investigation should be made.

Mr. KENNEDY. That was an entirely different approach than the one we are discussing today?

Mr. CRUM. Yes; it was.

Mr. KENNEDY. That is what I wanted to make sure was clear on the record.

Thereafter, you discussed this matter of Goldblatt again approaching you, which was around June 10 of this year. Then did you speak to Mr. Ed Williams about that?

Mr. CRUM. I did.

Mr. KENNEDY. What was the conversation that you had with Mr. Williams?

Mr. CRUM. We discussed the question of payment to Mr. Schmidt of his monitor's fees in exchange for Mr. Schmidt's resignation as monitor, and my succeeding him as monitor, together with the giving of a Teamster Union book to Pat Kennedy.

Mr. KENNEDY. Where did you have that conversation?

Mr. CRUM. On the telephone.

Mr. KENNEDY. What was the reaction?

Mr. CRUM. Well, I thought he was for it. At least he said he was.

Mr. KENNEDY. So what was going to be done?

Mr. CRUM. We were going to prepare the papers and submit them to Judge Letts.

Mr. KENNEDY. What happened then?

Mr. CRUM. Well, Williams never got around to preparing the papers.

Mr. KENNEDY. Did you meet with Mr. Williams then?

Mr. CRUM. Yes; thereafter I did.

Mr. KENNEDY. What conversation did you have at that time?

Mr. CRUM. Well, I had a conversation with Mr. Williams in which he said that we were sitting on a keg of dynamite, and we might be accused of obstructing justice if we continued.

Mr. KENNEDY. When was this conversation?

Mr. CRUM. I would say that was within the last 2 weeks to 10 days.

Mr. KENNEDY. And where did that conversation take place?

Mr. CRUM. In his office. I told him that I saw nothing wrong about the matter inasmuch as there was a fee long overdue to my client.

Mr. KENNEDY. Didn't you actually see something wrong with it, though, Mr. Crum?

Mr. CRUM. I would see something wrong in it only if the successor to Mr. Schmidt became a stooge for Mr. Hoffa, but not otherwise.

Mr. KENNEDY. You don't see something wrong with the fact that somebody offers to make a payment in return for Mr. Schmidt resigning as a monitor? He was either entitled to the payment or he was not.

Mr. CRUM. If the successor monitor were a stooge, of course it would be wrong.

Mr. KENNEDY. Isn't it wrong anyway, Mr. Crum?

Mr. CRUM. I don't think so. We have had advice from priests on this subject. Father William Smith advised Mr. Schmidt in my presence, together with a representative of the bureau, that he should accept the money that was owing to him, and that there was nothing wrong in it.

Mr. KENNEDY. No matter who advised on the matter, let's just discuss it. If somebody comes and offers some money, and this is what it was, whether he is entitled to it or not entitled to it, in return for his resignation, don't you feel or understand that there is something wrong in that?

Mr. CRUM. I see nothing wrong in the acceptance of money that is owing to you, provided the successor is a person who would discharge his responsibility to the court.

(At this point Senator Mundt entered the hearing room.)

The CHAIRMAN. Let me ask you in a different way. Do you see anything wrong with their withholding the money?

Mr. CRUM. I certainly do, Senator.

The CHAIRMAN. Then you had a choice. Either you would get the money if you met their terms, or you wouldn't get what was actually owing if you failed to meet their terms.

Mr. CRUM. But we didn't meet their terms.

The CHAIRMAN. I understand that. But don't you see that there was something wrong from the very beginning? If I owe you a just debt, and I say all right, but I am not going to pay it unless you do something that I want you to do, it never entered into the original consideration.

Mr. CRUM. No; it did not.

The CHAIRMAN. Then there is something wrong with it.

Mr. CRUM. I think so.

The CHAIRMAN. Particularly when you are dealing with court-appointed officials.

Mr. CRUM. I think so.

Mr. KENNEDY. Then your answer has changed somewhat?

Mr. CRUM. No; I don't think so.

Mr. KENNEDY. We better get it straightened out. Either your answer to Senator McClellan—

Mr. CRUM. I think it was wrong for them to suggest that Mr. Schmidt should resign solely for the purpose of obtaining moneys that were due to him.

Mr. KENNEDY. That is what I am talking about.

Mr. CRUM. But I see nothing wrong in Mr. Schmidt, through his lawyer, attempting to collect a just debt; nothing.

Mr. KENNEDY. I understand that.

Mr. CRUM. I must admit that I did everything in my power to collect that debt.

The CHAIRMAN. There is nothing wrong in collecting the just debt, but the debtor who owes it, if it is just, who takes the position, "I am not going to pay it unless you do something I want you to do," and in this instance it is to tamper with court-appointed monitors—is that right?

Mr. CRUM. Yes, sir. I think the consideration they sought was highly improper.

The CHAIRMAN. All right.

Mr. KENNEDY. Then you had this conversation with Williams in which he stated something to the effect that you were sitting on a keg of dynamite, and there might be charges of obstructing justice?

Mr. CRUM. Yes; he did.

Mr. KENNEDY. What happened thereafter? Did you get in touch with Mr. Goldblatt again?

Mr. CRUM. I don't think so. I think my last talk was with Mr. Williams on Thursday of last week.

Mr. KENNEDY. What took place at that meeting?

Mr. CRUM. Mr. Williams and I had lunch together and Mr. Williams told me that Mr. Schmidt's fees as monitor would be paid by Friday if I did not appear as a witness before this committee.

Mr. KENNEDY. That took place when?

Mr. CRUM. Last Thursday.

Mr. KENNEDY. He told you when the fees would be paid?

Mr. CRUM. Last Friday.

Mr. KENNEDY. He told you that the fees would be paid by Friday if you did not appear as a witness?

Mr. CRUM. Yes, sir; he did.

The CHAIRMAN. What had come into the discussions with respect to your appearing here before the committee?

Mr. CRUM. I don't know how Mr. Williams knew that the committee was in touch with me, but quite plainly he did know it, either through Goldblatt or someone else. In any event, that is what he said.

The CHAIRMAN. Are you stating that, again, the payment of that debt, which you contend is just——

Mr. CRUM. It is just.

The CHAIRMAN. All right. It has been ordered and approved by the court, as I understand it.

Mr. CRUM. Yes, sir.

The CHAIRMAN. Are you contending again now, or making the statement here, in effect, that you would have gotten your money, possibly, or you were told by Mr. Williams you would get your money if you didn't appear before this committee?

Mr. CRUM. I am stating that as a fact, Senator; yes, sir.

The CHAIRMAN. Now that is a pretty serious charge.

Mr. CRUM. Well, it is the truth.

The CHAIRMAN. I don't know. You are under oath. Mr. Williams is present here.

Mr. CRUM. I am well aware I am under oath.

The CHAIRMAN. I understand. It is a pretty serious charge you are making.

Mr. CRUM. I am sorry, that is precisely what was said to me.

The CHAIRMAN. OK. You know the full import of your testimony?

Mr. CRUM. Yes, I do.

Senator ERVIN. Let me see if I understand something about this \$105,000. As I understand it, Godfrey Schmidt was the attorney for the so-called dissenting Teamsters who brought the suit before the district court here to prevent the qualification of Mr. Hoffa as president of the Teamsters.

Mr. CRUM. That is correct.

Senator ERVIN. There was decree in that case somewhat of the nature of decree by consent by which monitors were appointed and that decree provided that Mr. Schmidt should be paid a fee and the fee was subsequently set by Judge Letts as being \$105,000?

Mr. CRUM. That is right.

Senator ERVIN. In other words, that fee was for legal services which Mr. Schmidt had rendered to the dissenting Teamsters in bringing suit?

Mr. CRUM. Correct.

Senator ERVIN. Thank you.

The CHAIRMAN. Are there any further questions?

Senator GOLDWATER. I would like to ask Mr. Crum a question about part of his testimony this morning. Just about the end of our session you testified to the effect that somebody told you that if you took up the job as monitor that Pepsi-Cola would not have any Pepsi-Cola delivered?

Mr. CRUM. That is right.

Senator GOLDWATER. Who told you that?

Mr. CRUM. My senior partner, Mortimer Hayes, who was told that by Sidney Baron of New York, who is publicity director for Carmine DeSapio.

The CHAIRMAN. Who is Carmine DeSapio?

Mr. CRUM. He is the boss of Tammany Hall, New York City.

Mr. KENNEDY. You are not suggesting that he had a part in the stoppage of delivery of Pepsi-Cola?

Mr. CRUM. I don't know, Mr. Kennedy.

Mr. KENNEDY. This is not the Carmine DeSapio of the Democratic Party—

Mr. CRUM. It is the Carmine DeSapio who lost \$10,000 in a taxicab in New York City.

Mr. KENNEDY. You are not suggesting that he was the one that was going to stop delivery?

Mr. CRUM. No, I think Mr. Hoffa.

Mr. KENNEDY. I don't know who else he was public relations man for.

Mr. CRUM. I don't know.

Senator GOLDWATER. I thought this morning you mentioned some union official's name.

Mr. CRUM. We were told by Sidney Baron that in a communication to him from Hoffa, Hoffa said if we appeared on behalf of Mr. Schmidt we could forget about any deliveries of Pepsi-Cola.

Senator GOLDWATER. Is Sidney Baron, along with his other duties, an official in the Teamsters Union?

Mr. CRUM. No, sir, but I understand he is very close to Mr. Hoffa.
Senator GOLDWATER. Thank you.

The CHAIRMAN. Senator Mundt.

Senator MUNDT. I think we ought to get into the record a little more clearly how it was that you happened to be approached with this bizarre proposal in the first place.

Now back in July of last year when this occurred, was it generally known at that time that you were attorney for Mr. Schmidt?

Mr. CRUM. Yes, it was.

Senator MUNDT. So that you would be one of the logical people to approach if somebody wanted to make a contact with Schmidt?

Mr. CRUM. That is right.

Senator MUNDT. Now you said that you had some close relations with Bridges to the extent that he had always told you, but he did take the fifth amendment subsequently?

Mr. CRUM. That is right.

Senator MUNDT. Would you enlarge on that?

Mr. CRUM. I have known Bridges since 1934, when he was head of the Longshoremen's Union in a general strike in San Francisco. My law firm represented the employers in that particular strike. I have also felt he was an honest trade-union leader. I have been fond of him as such. I know that the FBI knows him as Communist, but I know of no competent evidence to that effect.

Senator MUNDT. Haven't the courts so held?

Mr. CRUM. The lower courts held so, but the upper courts reversed it. The Supreme Court reversed those holdings. At least two cases.

Senator MUNDT. On the basis that there was some question about our power to deport him, not on the basis of whether or not he was a Communist.

Mr. CRUM. I think that is correct. I think in the latter case the case was reversed on the basis that the statute of limitations had run.

Senator MUNDT. That is right.

Mr. CRUM. In the earlier case I am not sure what the basis was.

Senator MUNDT. Your connection with Mr. Goldblatt I suppose was the same as your connection with Mr. Bridges?

Mr. CRUM. It stems from the fact, Senator, that I was representative of employers in San Francisco for many, many years.

Senator MUNDT. The reason I ask the question, it would seem to me that Mr. Bridges or Mr. Goldblatt or Mr. Hoffa, all three, were really taking a very, very dangerous risk in approaching you in the first place because Mr. Schmidt's reputation as a pretty rugged two-fisted American is generally known. It would indeed take an optimist to assume that he would accept this. I would think that the people approaching you would have been able to make a conjecture that the end of the trail would be exactly where it is this afternoon, that you would report this faithfully to Mr. Schmidt, Mr. Schmidt would be incensed, the two of you would give it to the FBI, and to the judge, and they would find themselves precisely in the mess in which they find themselves.

Mr. CRUM. I think they were fearful that Mr. Schmidt at any rate would whistle for the cops, as they put it. In my old days I think they regarded me as a person who was, as I am, very sympathetic to the broad objectives of the trade-union movement.

Senator MUNDT. I think that could be, but I think they would also feel that as a known attorney to Mr. Schmidt that you would forthrightly and accurately report the proposition to Schmidt.

Mr. CRUM. They knew that.

Senator MUNDT. They must have been able to figure out, I would think, that Schmidt would say, "I am not going to have anything to do with a messy situation like this."

Mr. CRUM. Bear in mind, Senator, that at all times every move that we made was subject to the scrutiny of the Federal Bureau of Investigation, and to approval by Judge Letts. We made that clear from the outset.

Senator MUNDT. Right. I would assume that they would make that kind of a prophecy that your having told this to Mr. Schmidt, he would say, "Well, let us give this to the FBI if in fact you did not do it on your own."

Mr. CRUM. Yes.

Senator MUNDT. And let us give this to Judge Letts, let us keep this thing out at arms' length so that there is no danger that anybody will say we are involved.

Mr. CRUM. As a matter of fact, Mr. Williams knew from our July meeting with Judge Letts that we were under instructions from the district court to keep the court fully informed and also to keep the Bureau fully informed, which we did from the very beginning.

(At this point Senator Capehart entered the hearing room.)

Senator MUNDT. How did Mr. Williams know last Friday you were going to be before this committee?

Mr. CRUM. That I cannot answer, unless he knew Mr. Goldblatt was going to be a witness before this committee. I don't know. You have to ask him that.

Senator MUNDT. I believe Goldblatt was before us last Friday.

Mr. CRUM. Yes, sir.

Senator MUNDT. That was the same day you had a lunch with Mr. Williams?

Mr. CRUM. That is right.

Senator MUNDT. Where was the lunch?

Mr. CRUM. I don't remember the name of the restaurant. It is near the Mayflower Hotel.

Senator MUNDT. Here in Washington?

Mr. CRUM. Yes.

Mr. KENNEDY. It is a fact, is it not, Mr. Crum, that during this period of time Mr. Schmidt had not been paid his fees?

Mr. CRUM. No, sir.

Mr. KENNEDY. That he was working almost full-time on this matter, and therefore he had to give up virtually all his other law practice?

Mr. CRUM. That is right.

Mr. KENNEDY. The Teamsters procedure in this matter was virtually starving him to death?

Mr. CRUM. That was their intention, I am certain.

Mr. KENNEDY. So the fact that he could then get paid his fee without further delay was quite an inducement.

Mr. CRUM. It should have been.

Mr. KENNEDY. It should have been an inducement.

Mr. CRUM. As a matter of fact, when I told Ed Williams last Thursday that Schmidt's light and power had been turned off because

of his failure to meet his bill, he professed great shock. He said he would correct it the following day if I were not called before this committee as a witness.

Mr. KENNEDY. You mean that the light and the power in Mr. Schmidt's house had to be turned off?

Mr. CRUM. Yes, sir.

Mr. KENNEDY. He had not yet received the money from them?

Mr. CRUM. No, not a penny.

Mr. KENNEDY. Now, when Mr. Schmidt resigned as a monitor there was no arrangement or deal made?

Mr. CRUM. There was none.

Mr. KENNEDY. There was not any understanding that he was to receive his fee? In other words, he turned this down flatly?

Mr. CRUM. Absolutely.

Mr. KENNEDY. And he resigned in order to handle the case against Mr. Hoffa, himself?

Mr. CRUM. He resigned, as I understand it, in order to prosecute Mr. Hoffa.

The CHAIRMAN. As I understand it, the court of appeals held the possibility of some conflict of interest, too.

Mr. CRUM. Yes, sir. The court of appeals held there was a potential conflict of interest.

The CHAIRMAN. A potential conflict of interest?

Mr. CRUM. That is to say that Mr. Hoffa has corporate clients as well as labor clients, and that there might be some corporation he represented that was under contract with the Teamsters Union, but no such conflict was in fact ever shown.

(Members of the select committee present at this point in the proceedings: Senators McClellan, Mundt, Ervin, Capehart, and Goldwater.)

Senator ERVIN. Mr. Chairman?

The CHAIRMAN. Senator Ervin.

Senator ERVIN. I got some impressions from reading the newspapers. As a matter of fact, had not the Teamsters raised the point before Judge Letts of this alleged conflict of interest on the part of Mr. Schmidt and asked for his removal on that ground?

Mr. CRUM. Yes, they had raised it.

Senator ERVIN. And the district court refused to remove him on that ground, and that was one of the points involved in the appeal to the court of appeals?

Mr. CRUM. That was one of the main points; yes, sir.

Senator ERVIN. The court of appeals on that particular phase of the case reversed the action of the district court?

Mr. CRUM. It did. It did. But I doubt if that was the motivating factor in Mr. Schmidt's resignation.

Senator ERVIN. In this conversation you had last Thursday, I believe you said, with Mr. Williams, did Mr. Williams make any reference to the payment of the \$105,000 fee?

Mr. CRUM. No. As a matter of fact, our meeting was designed for the purpose of discussing the question of notice to be given to the more than a million members of the Teamsters Union, pursuant to the circuit court order.

Senator ERVIN. And he stated to you at that——

Mr. CRUM. But the monitors' fees were another matter. They would have been paid, I think.

Senator ERVIN. But Mr. Williams stated to you at that Thursday luncheon that the fees would be paid the next day if you did not appear as a witness before this committee?

Mr. CRUM. That is correct.

Senator ERVIN. Did he give you any reason why he annexed that condition to the payment?

Mr. CRUM. No, he did not. He didn't have to give me any reason. I think I understood quite clearly what was in his mind.

Senator ERVIN. Did you discuss that point any further?

Mr. CRUM. No, we did not.

Senator ERVIN. That was all that was said on that point?

Mr. CRUM. That was all that was said; yes, sir.

Senator ERVIN. You didn't ask him why he coupled that condition to the payment?

Mr. CRUM. I didn't feel I had to. I thought I understood pretty clearly that if I told the truth before this committee, probably Schmidt would not get his fees until we went up to the Supreme Court of the United States.

Senator ERVIN. In other words, they still have that in a position where they can still allege an order to have that fee reviewed by the higher Court?

Mr. CRUM. Yes, they have that Court, to try to get it reviewed.

Senator ERVIN. In other words, then there was more than a mere matter of delay in connection with this fee. They still had the right to contest——

Mr. CRUM. They had the right to try; yes, sir.

Senator ERVIN. Yes.

So the relinquishment of that right was also involved along with the question of time of payment?

Mr. CRUM. Although it was in my judgment an immoral exercise of power because their real purpose was to frustrate Schmidt in his function as a monitor of the district court.

Senator ERVIN. But they did in effect have it implicit in the offer about the payment of the fee and implied assurance that if things could be arranged properly, that there would be no contest on the fee?

Mr. CRUM. There would have been no question about it. He would have been paid, if he had behaved himself.

The CHAIRMAN. Have the other monitors been paid?

Mr. CRUM. Yes, sir, they, in full.

The CHAIRMAN. The other monitors have been paid in full?

Mr. CRUM. Yes, sir.

The CHAIRMAN. And Schmidt has not been paid?

Mr. CRUM. No, sir.

The CHAIRMAN. About \$45,000 or \$50,000?

Mr. CRUM. I think there is about \$45,000 owing to him.

The CHAIRMAN. As monitor fee?

Mr. CRUM. Yes, sir.

The CHAIRMAN. The attorney fee is different?

Mr. CRUM. Yes, sir.

The CHAIRMAN. That is on a fee allowed him while acting as attorney?

Mr. CRUM. That is right.

The CHAIRMAN. That has not been paid?

Mr. CRUM. No, sir, it has not been.

The CHAIRMAN. That is in controversy?

Mr. CRUM. That is in controversy.

The CHAIRMAN. Did the fee involve both the monitor and the attorney fee?

Mr. CRUM. Not the one of last Thursday.

The CHAIRMAN. I am talking about the original one.

Mr. CRUM. The original one contemplated they would pay Schmidt's fees in full and also pay Blumenfeld and Dodd in full.

Senator MUNDT. I think the record is going to read a little foggy when you were responding to the chief counsel about whether or not you considered these overtures to be proper. I think you misunderstood him to say possible; but he was saying proper. So we can pin this down, in view of the fact that you were the intended go-between and have the first information. In your opinion wasn't this a highly improper approach all the way through?

Mr. CRUM. I think the approach was improper in intention.

Senator MUNDT. Yes. It would be improper on the part of the people who sought to perpetrate it?

Mr. CRUM. I think so, yes.

Senator MUNDT. That would be an improper approach on the part of Mr. Goldblatt?

Mr. CRUM. Yes. I would regard it, Senator, as an attempt to obstruct justice.

Senator MUNDT. I would, too. An improper approach on the part of Harry Bridges?

Mr. CRUM. Yes, sir.

Senator MUNDT. An improper approach on the part of Jimmy Hoffa?

Mr. CRUM. No question about it in my mind.

Senator MUNDT. And an improper approach on the part of his counsel, Mr. Williams?

Mr. CRUM. Yes, sir.

Senator MUNDT. Any others?

Mr. CRUM. Yes, there are many of them. There were a number of other approaches made to us.

Senator MUNDT. By other individuals?

Mr. CRUM. Yes, sir.

Senator MUNDT. To you?

Mr. CRUM. Yes, sir.

Senator MUNDT. By others?

Mr. CRUM. Yes.

Senator MUNDT. Representing the Teamsters?

Mr. CRUM. Well, they purported to represent Mr. Hoffa. General Klein among them.

Senator MUNDT. Who is General Klein?

Mr. CRUM. Gen. Julius Klein.

Senator MUNDT. Did he approach you, too?

Mr. CRUM. Yes, sir, he did.

Senator MUNDT. With the same proposal?

Mr. CRUM. The same proposal.

Senator MUNDT. You are not talking about the public relations man in Chicago?

Mr. CRUM. Yes, I am.

Senator MUNDT. Let's get the whole story out. Who else?

Mr. CRUM. Joseph Labrutto.

Senator MUNDT. Who is he?

Mr. CRUM. He is an attorney in New York.

Senator MUNDT. Labrutto. Who does he represent? The Teamsters?

Mr. CRUM. He purported to represent interests close to Hoffa and brought with him an attorney purporting to represent Mr. Hoffa, Mr. Feinstein.

Senator MUNDT. All trying to put across this same type of proposition?

Mr. CRUM. Yes, sir, identical.

Senator MUNDT. Who else?

Mr. CRUM. Mr. Feldschuh.

Senator MUNDT. Feldschuh?

Mr. CRUM. Feldschuh, F-e-l-d-s-c-h-u-h, I think.

Senator MUNDT. Is that another Teamster attorney?

Mr. CRUM. Yes, sir.

Mr. KENNEDY. You misunderstood his question.

Mr. CRUM. He purported to represent Mr. Hoffa. I don't know whether he did or not. But he said he did.

Senator MUNDT. He knew about the proposition?

Mr. CRUM. Of course he did.

Senator MUNDT. He talked——

Mr. CRUM. He made the identical proposition.

Senator MUNDT. He talked like he was in on the intent to fix?

Mr. CRUM. Yes, he did. Yes, he did.

Senator MUNDT. They had quite an army working on you.

Mr. CRUM. They did. They did. Well, they can afford it.

Senator MUNDT. Who else?

Mr. CRUM. That is all that I can remember.

Senator MUNDT. You have them all?

Mr. CRUM. I think so.

Senator MUNDT. So the three that we have already had and the three you have named since, all were in one way or another involved in the proposition to divert or obstruct justice?

Mr. CRUM. I think so.

Senator MUNDT. Engaged in what you and I believe to be highly improper activities?

Mr. CRUM. I think so.

The CHAIRMAN. Were all of those names reported to the FBI and Judge Letts?

Mr. CRUM. Yes, sir.

The CHAIRMAN. At the time?

Mr. CRUM. At the time.

The CHAIRMAN. As they occurred?

Mr. CRUM. Yes, sir.

Mr. KENNEDY. In the case of Labrutto, Mr. Feldschuh and the other, Mr. Williams was present at the time?

Mr. CRUM. Present at the time; that is correct.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. Mr. Chairman, we have letters here that were written, contemporaneous letters.

Senator CAPEHART. Who is it that is contesting Mr. Schmidt's fees?

Mr. CRUM. The Teamsters Union is contesting Mr. Schmidt's fees.

Senator CAPEHART. Are they contesting the monitors' fees?

Mr. CRUM. No, sir; they have not.

Senator CAPEHART. How much do the monitors' fees amount to?

Mr. CRUM. I would say, Senator, about \$45,000.

Senator CAPEHART. The total fee?

Mr. CRUM. Yes, sir. That is due to Schmidt.

Senator CAPEHART. How many months or years was that?

Mr. CRUM. That would be about a year's time.

Senator CAPEHART. That Mr. Schmidt served as a monitor for a year?

Mr. CRUM. That is about a year.

Senator CAPEHART. Do you remember what date he became a monitor?

Mr. CRUM. I think he was appointed on January 31.

Senator CAPEHART. January 31 of what year?

Mr. CRUM. 1958. He was paid, I believe, up to August 1. There remains unpaid from August 1 to date.

Senator CAPEHART. What are these attorney fees that are being contested?

Mr. CRUM. The attorney fees——

Senator CAPEHART. Is that \$105,000?

Mr. CRUM. Yes, sir, \$105,000 to Schmidt and \$105,000 to Senator Dodd.

Senator CAPEHART. What service did they render for the \$105,000?

Mr. CRUM. Well, they prosecuted the action before Judge Letts which led to the consent order, the consent decree.

Senator CAPEHART. They prosecuted the action against the Teamsters Union?

Mr. CRUM. That is right.

Senator CAPEHART. And then Mr. Schmidt later became one of the monitors?

Mr. CRUM. That is right.

Senator CAPEHART. Then your testimony is that they tried to induce Mr. Schmidt to resign and make you one of the monitors?

Mr. CRUM. They did.

Senator CAPEHART. That was over how long a period of time?

Mr. CRUM. That was over a period of many months.

Senator CAPEHART. A period of many months?

Mr. CRUM. Yes, sir, beginning about in the latter part, I should say, of June or early July of last year, to date.

Senator CAPEHART. You took the matter very seriously?

Mr. CRUM. Yes, I did. Because I thought it was my function to collect the fee owing to my client, if I could, legally.

Senator CAPEHART. What connection was there between collecting the fee for your client and becoming one of the monitors?

Mr. CRUM. There actually should be none. They laid it down as a condition. I did not.

Senator CAPEHART. But you did take it very seriously?

Mr. CRUM. Of course I did.

Senator CAPEHART. And in the very beginning, however, you reported to the FBI all the proceedings?

Mr. CRUM. Everything.

Senator CAPEHART. Why did you do that? That is, if you took the matter seriously?

Mr. CRUM. We were instructed to do so by Judge Letts.

Senator CAPEHART. You went to Judge Letts first and told him?

Mr. CRUM. That is right, with Mr. Williams.

Senator CAPEHART. And he instructed you to do that?

Mr. CRUM. Yes, he did.

Senator CAPEHART. Did he instruct you to carry this on for weeks and months and months?

Mr. CRUM. He did. He so instructed us; yes, sir.

Senator CAPEHART. Then you are an attorney. You became a party to—you weren't serious any more, then, were you, about becoming a monitor?

Mr. CRUM. No, I wasn't. I did want to obtain, if I could, documentation of the transaction.

Senator CAPEHART. In other words, from that time on you were out to get the Teamsters?

Mr. CRUM. Well, I wasn't out to get the Teamsters. I was out to the extent I could to prove what was going on.

Senator CAPEHART. But you, an attorney, were leading them on.

Mr. CRUM. I don't believe Mr. Hoffa is synonymous, Senator, with the Teamsters. I think they are two separate things. I think Mr. Hoffa is separate from the Teamsters.

Senator CAPEHART. But what I understood is, you are a fine lawyer, they wanted you to become a monitor.

Mr. CRUM. They did.

Senator CAPEHART. You are the attorney for Mr. Schmidt.

Mr. CRUM. I am.

Senator CAPEHART. And you wanted to collect his fees.

Mr. CRUM. That is right.

Senator CAPEHART. They offered you the monitorship?

Mr. CRUM. They did.

Senator CAPEHART. You immediately reported that to the FBI and Judge Letts?

Mr. CRUM. Right.

Senator CAPEHART. My point is, Why did you carry it on for weeks and months? Why, as an attorney, didn't you simply say, "I am not interested"?

Mr. CRUM. I was so instructed by Judge Letts and by the Federal Bureau of Investigation.

Senator CAPEHART. You were paid for it?

Mr. CRUM. No, sir.

Senator CAPEHART. You just did it because they wanted you to?

Mr. CRUM. That is right.

Senator CAPEHART. Finally, you forgot the whole matter?

Mr. CRUM. I didn't forget about it.

Senator CAPEHART. You dropped it?

Mr. CRUM. No; I didn't.

Senator CAPEHART. Are they still trying to get you to be a monitor?

Mr. CRUM. I don't know how Ed Williams feels today. He is sitting in this court. You might ask him.

Senator CAPEHART. As I sit here listening to the testimony, it seems to me as though you had a perfect right to tell them you didn't want to be a monitor, you didn't want to associate with them.

Mr. CRUM. I did tell them that from time to time.

Senator CAPEHART. You dragged this thing out for weeks and weeks and reported everything that happened to the FBI?

Mr. CRUM. I don't think it is improper to report things of that sort to the departments of the Government.

Senator CAPEHART. You think it is proper to do something you know you are not going to accept, you know you are against it, you extend it out for weeks and weeks and weeks?

Mr. CRUM. I saw no reason whatever why I could not do everything in my power to get Mr. Schmidt the fees that were owing to him.

Senator CAPEHART. Yes; but you knew the only way you could get his fees was to accept the monitorship.

Mr. CRUM. I am not at all sure of that.

Mr. KENNEDY. Mr. Crum, if Mr. Williams was aware of the fact that you were making these reports to the Federal Bureau of Investigation, why would he have participated or made any statements along the lines which you suggest? What would be the reason?

Mr. CRUM. I don't see why he should feel, as he apparently did, that we were sitting on a keg of dynamite. I didn't think we were. Whatever we were doing, at least whatever I was doing, was important work.

Senator MUNDT. Mr. Chairman, on that point I think I misunderstood something you said to Senator Capehart, but I thought you said that you and Mr. Williams went together to Mr. Letts to tell him that you were going to tell the FBI the whole story.

Mr. CRUM. Yes, sir; we did. Judge Letts instructed us to keep the Bureau informed and also to inform the U.S. attorney in New York, which we did.

Senator MUNDT. In the presence of Mr. Williams?

Mr. CRUM. Yes, sir.

Senator MUNDT. What date was that?

Mr. CRUM. That was in July 1958.

Senator MUNDT. That was at the very inception?

Mr. CRUM. Yes, sir.

Senator MUNDT. Then why in the world would Williams meet with you surreptitiously, and Hoffa, after you had told them that a judge had told you to tell this to the FBI?

Mr. CRUM. I did not consider having lunch with Ed Williams in a public restaurant as a surreptitious thing.

Senator MUNDT. Let us talk about a surreptitious procedure.

Mr. CRUM. I saw nothing surreptitious about a proceeding which ultimately would have to have at any time the approval of U.S. District Judge Letts, nothing whatsoever.

Senator MUNDT. Did you tell Judge Letts what the quid pro quo was and all the rest of it?

Mr. CRUM. Yes; we told him in Williams' presence. We told him that. Mr. Schmidt is in the room here now.

Senator MUNDT. I am not questioning your word. I am trying to get the facts.

Mr. CRUM. It is true.

Senator MUNDT. Because I did not know until a minute ago that Williams, consequently Hoffa, consequently Goldblatt and Bridges, all knew that this was going to be told to the FBI.

Mr. CRUM. They knew it.

Mr. KENNEDY. This is an entirely different approach, Senator. We have to get straightened out. There were a number of approaches made. One was by these three lawyers, who claimed that they spoke for Mr. Hoffa. We do not know how much beyond that it went. At that time, when that approach was made, a contact was made with Mr. Williams. They went down and saw Judge Letts and reported that particular approach. Then, entirely separate from that, not having anything to do with that, there was an approach made shortly afterward by Mr. Goldblatt on the west coast. It had nothing whatsoever to do with the approach by the three individuals, Labruzzo, Feldschuh, and Feinstein. The approach by the three individuals then was dropped.

Then Mr. Goldblatt made his approach. That is the one that has gone through from June to November, and that is the one that they reported to the Federal Bureau of Investigation and the judge, but on their own.

Mr. Crum and Godfrey Schmidt reported it on their own, while Mr. Williams, the representative of the Teamsters, was in on the first approach which was made by these three attorneys. That approach petered out, and then Mr. Goldblatt came in. These are two entirely different operations.

Mr. CRUM. But the judge did tell us to follow up completely and to keep in constant touch with the Federal Bureau of Investigation.

Mr. KENNEDY. I understand that. So the Federal Bureau of Investigation was aware of the conversation with the representative of the Teamsters, Mr. Williams. He was in on the first one, and he made a statement, according to the testimony here, because at that time when this approach was made there was a discussion also about the fact that Mr. Hoffa wanted also to get rid of Mr. Williams during the summer of 1958. In addition to getting rid of Godfrey Schmidt, they were going to get rid of Mr. Williams. Mr. Williams was brought in on it, and they went down to the judge and reported it to the judge.

This is an entirely different approach that Goldblatt made subsequently.

Senator MUNDT. I am trying to determine in my own mind whether, in the presence of Mr. Williams, Judge Letts told you to report this whole sequence of events to the FBI.

Mr. CRUM. He did.

Senator MUNDT. Which would certainly eliminate from Mr. Williams any possible claim of entrapment. He knew about this in July at the time Judge Letts told you what to do.

Mr. CRUM. Judge Letts told us we must expect in a matter of this kind to have constant approaches made to the monitors, either directly or indirectly, and that all of such approaches, if they were made, should be reported to the Bureau, which we did. Also to Mr. Martin O'Donoghue, the chairman of the board of monitors.

Senator CAPEHART. Mr. Chairman, I have one more question.

The CHAIRMAN. Senator Capehart.

Senator CAPEHART. When did your firm tell you you could not become a monitor?

Mr. CRUM. I think it was sometime in November, Senator, of 1958.

Senator CAPEHART. Of last year?

Mr. CRUM. Yes, sir.

Senator CAPEHART. Even after that, you proceeded to make these gentlemen believe that you might become a monitor?

Mr. CRUM. I am not a member of any closed shop, Senator. I can make my own choice.

Senator CAPEHART. You testified, I believe, that your law firm called your attention to that.

Mr. CRUM. That is right.

Senator CAPEHART. That was last November.

Mr. CRUM. Last November, and they renewed it last June.

If I had wanted to become a monitor, I would have become a monitor whether they liked it or not.

Senator CAPEHART. During that entire period at least some members of your firm felt you should not become a monitor, and so informed you?

Mr. CRUM. That is certainly true.

Senator CAPEHART. Yet during those months you continued to hold meetings with these gentlemen, leading them to believe you might become a monitor?

Mr. CRUM. I did, and I might have been.

(At this point Senator Church entered the hearing room.)

Senator ERVIN. You are still trying to collect your fee?

Mr. CRUM. I am trying to collect that fee.

Senator CAPEHART. All the time you were doing that, you were turning the information over to the FBI?

Mr. CRUM. Yes, sir; that I was.

Senator CAPEHART. You think that is becoming—

Mr. CRUM. I think that is proper; yes, I do, Senator.

The CHAIRMAN. In the course of these proceedings, these contacts and conferences, did you keep Godfrey Schmidt advised?

Mr. CRUM. Fully informed; yes, sir.

The CHAIRMAN. In the course of keeping him advised, did you do it at times by letters?

Mr. CRUM. Usually by letters; yes, sir.

The CHAIRMAN. I present you here what purports to be four photostatic copies of letters, and one, the fifth, appears to be a carbon copy of a letter. They are all from you to Mr. Godfrey Schmidt.

The first is dated October 20, 1958. The second, November 3, 1958. The fourth is dated November 7, 1958. And the fifth, dated June 22, 1959.

I present these to you in bulk and ask you to examine them and state if you identify them as being photostatic copies and a carbon copy of your letters.

(The documents were handed to the witness.)

Mr. CRUM. Yes, sir; they are.

The CHAIRMAN. They may be made exhibit No. 85, and lettered A, B, C, D, and E in order of their dates.

(The documents referred to were marked "Exhibits Nos. 85-A through 85-E," inclusive, for reference and may be found in the files of the select committee.)

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Are there any other questions?

I think the record is straight, and I think I understand it.

Mr. CRUM. Thank you.

The CHAIRMAN. The first approach made to you in connection with your becoming a monitor, as you have testified here, was made by these lawyers whom you have previously identified?

Mr. CRUM. Yes, sir.

The CHAIRMAN. At that time, Mr. Williams knew about that approach?

Mr. CRUM. He did.

The CHAIRMAN. And you all related that to Judge Letts?

Mr. CRUM. Yes, sir.

The CHAIRMAN. Mr. Williams was present when it was related?

Mr. CRUM. He was.

The CHAIRMAN. That is the time that Judge Letts told you to make reports to him and also to report the matter to the FBI?

Mr. CRUM. Yes; he did.

The CHAIRMAN. Thereafter, you were approached by Goldblatt?

Mr. CRUM. And Bridges.

The CHAIRMAN. And Bridges?

Mr. CRUM. That is right.

The CHAIRMAN. Did Mr. Williams know of that approach at the time it was made?

Mr. CRUM. He either knew of it at the time or directly thereafter.

The CHAIRMAN. Did he know that you were making reports of that to the FBI?

Mr. CRUM. No, sir; I don't think he did.

The CHAIRMAN. He did know that Judge Letts had so instructed you?

Mr. CRUM. He knew that Judge Letts had instructed us to make reports to the FBI, and he knew, of course, that I was reporting fully to Mr. Schmidt, who was my client.

The CHAIRMAN. Mr. Williams knew that at all times?

Mr. CRUM. Yes, sir; he did.

The CHAIRMAN. Are there any other questions?

Senator MUNDT. Let's get how much time elapsed between the first approach and the Goldblatt approach.

The CHAIRMAN. All right. That is a good idea.

You were first approached by the lawyers.

Mr. CRUM. I think that was on July 4, 1958.

The CHAIRMAN. About July 4?

Mr. CRUM. Yes, sir.

The CHAIRMAN. How long after that was it before you were approached by Goldblatt and Bridges?

Mr. CRUM. I would say, Senator, that it was some time in late July or early August of 1958.

The CHAIRMAN. Something like a month later?

Mr. CRUM. Yes, sir.

Senator GOLDWATER. Mr. Chairman—

The CHAIRMAN. Senator Goldwater?

Senator GOLDWATER. Before you leave the stand, Mr. Crum, are you well enough acquainted with Mr. Bridges and his activities in Hawaii to answer a question or two pertaining to that?

Mr. CRUM. I think so.

Senator GOLDWATER. In your opinion, does Mr. Bridges have the same stranglehold on the economy of Hawaii that Mr. Hoffa has on the economy of the U.S. mainland?

Mr. CRUM. I think he has complete control of the economic situation in Hawaii and in Alaska.

Senator GOLDWATER. Do you find over there among your business associates the feeling that Mr. Bridges could do to any company in Hawaii what you were told by Mr. Baron could be done to Pepsi-Cola?

Mr. CRUM. Yes, indeed; I think he could if he wished to. I think you will find shortly, Mr. Senator, that Mr. Bridges will be one of your associates in the Senate. At least I have been so informed.

Senator GOLDWATER. He is not running?

Mr. CRUM. Not at this time.

Senator GOLDWATER. Are you inferring that the candidates are influenced by Mr. Bridges?

Mr. CRUM. Of course they are. In Hawaii? Surely. Of course they are.

Senator GOLDWATER. All candidates?

Mr. CRUM. I think so.

Senator GOLDWATER. Do you feel that the announced combination between Mr. Hoffa and Mr. Bridges would be a dangerous combination to the whole United States?

Mr. CRUM. Yes, sir. I think it would constitute a combination more powerful than the whole Government of the United States.

Senator GOLDWATER. Don't you feel that at the present time Mr. Hoffa, not just Mr. Hoffa but other leaders of labor in this country, operate completely without the law of the United States and the States?

Mr. CRUM. I do, and wrongly.

(At this point Senator Kennedy entered the hearing room.)

Senator GOLDWATER. And with the power they have vested in them by virtue of the acts of Congress, the NLRB, and the Supreme Court, that they themselves are above any government that we have in this country?

Mr. CRUM. They are, sir. I think it is time that Congress passed laws which made labor responsible, commensurate with the power that it has.

Senator GOLDWATER. What would be wrong with taking a little different approach and going back and amending some of the laws we have to remove the power? Isn't that about the same thing?

Mr. CRUM. Very good. I think so.

Senator GOLDWATER. Do you think that the laws we have before us for consideration at the present time will do anything to slow down Mr. Hoffa or Mr. Bridges?

Mr. CRUM. Well, I think if the bill of rights, as proposed by the chairman, is passed, it will do a great deal to slow them down.

Senator GOLDWATER. The bill of rights as originally introduced?

Mr. CRUM. Yes, sir; originally.

Senator GOLDWATER. Not the amended bill of rights?

Mr. CRUM. No, sir.

Senator GOLDWATER. Thank you.

Senator CAPEHART. Do you wish the record to stand on the statement that you made a minute ago, the inference being that candidates running in Hawaii on both tickets, Governor, Senators, et cetera, are dominated and controlled by Mr. Bridges?

Mr. CRUM. Yes; I do.

Senator CAPEHART. Do you wish that to stand?

Mr. CRUM. I do wish it to stand. I believe it to be true.

Senator CAPEHART. Both Democrat and Republican?

Mr. CRUM. I believe it to be the fact.

Senator CAPEHART. You are condemning these men now. Do you have any concrete evidence? That is a pretty serious statement for you to make.

Mr. CRUM. I believe it to be true, Senator. I haven't any evidence.

Senator CAPEHART. Do you have any evidence to prove it?

Mr. CRUM. No. But I think if you would have an investigation in Hawaii, you would find that is true. The sugar plantations are completely organized—

Senator CAPEHART. You want to throw a shadow over these men that are elected to come down here?

Mr. CRUM. I don't cast a shadow. I think they are controlled by the Bridges union in Hawaii. I think everyone on the west coast believes that.

Senator CAPEHART. Both parties?

Mr. CRUM. I certainly believe it.

Senator CAPEHART. Both parties?

Mr. CRUM. Yes, sir.

Senator CAPEHART. The gentlemen running for the Congress, the Senate, and the Governor?

Mr. CRUM. Yes, sir; both of them; all of them.

Senator CAPEHART. Do you feel they are good, honorable men?

Mr. CRUM. Well, I don't know them. But I know this much: I think that they are controlled by the views of Mr. Bridges so far as trade unions are concerned.

Senator CAPEHART. Let me say this to you: that I think it is such loose statements that you are making here without any facts to prove them that is doing this country a great, great harm.

Mr. CRUM. Well, Senator—

Senator CAPEHART. I don't think you have any right to make it, and particularly you, a lawyer, have any right to come in here and condemn what the four Senators, two Congressmen, and a couple of other gentlemen—I don't know a single one of them. I wouldn't know them if I saw them.

But I think it is such irresponsible statements as you have just made that is doing this country a great, great injustice. I want to record to show it.

Mr. CRUM. Senator, this would not be the first time that this has happened.

Senator CAPEHART. But you are doing it under oath.

Mr. CRUM. Yes, sir; I am. I believe it to be true.

Senator CAPEHART. Yet you can't give any facts in connection with it?

Mr. CRUM. No; I cannot, except that I know Mr. Bridges does have a stranglehold, as Senator Goldwater said, on the economy of Hawaii.

Senator CAPEHART. That may be true.

Mr. CRUM. That is an economic as well as a political stranglehold.

Senator CAPEHART. That may be true. He may well have. I do not know. But that wasn't your statement. You cast a shadow upon the gentlemen from Hawaii who are running for the U.S. Senate, the

U.S. Congress, and the Governor, and you left the impression there is something sinister about them.

Mr. CRUM. I believe that those candidates were selected by Mr. Harry Renton Bridges.

Senator CAPEHART. I just want to say to you that I again want to repeat I think that sort of testimony, particularly by a lawyer, a gentleman who ought to know better, is very, very harmful to the United States. That is what you call hearsay.

Mr. CRUM. It used to be, Senator, that the sugar factories controlled the economy of Hawaii and its political life, but that is no longer true. The economic and political life of the new State is controlled by the Longshoremen's Union.

Everyone knows that. That is not a reflection upon them. They are entitled to their point of view.

Senator CAPEHART. You left the inference and impression to go out over radio and television that these gentlemen were controlled.

Mr. CRUM. I think they are.

Senator CAPEHART. OK, if you want the record to stand on that. I want the record to show that I think that sort of testimony is doing this Nation a great injustice, and doing the men great injustice, doing these men that are running for office out there.

The CHAIRMAN. Just a moment. This witness is under oath. This testimony was elicited from him by inquiring as to his opinions.

Mr. CRUM. That is right.

The CHAIRMAN. And what his opinion may be may be altogether different from what the facts are. He claims he has no proof of it, other than just his general knowledge of the control of the economy in that area. He believes that by reason of that, these people who are running for office are actually under the influence of Bridges or Bridges' organization.

Is that the effect of your testimony?

Mr. CRUM. Yes, sir; I do believe that.

The CHAIRMAN. Everybody is free to believe it or disbelieve it, agree or disagree with it.

Senator Kennedy?

Senator KENNEDY. As I understand, Mr. Crum, the first discussion, and I was not here originally, the first discussion concerning the prospective candidates on the island of Hawaii was as a result of Senator Capehart's interrogation?

Mr. CRUM. Yes, sir.

Senator KENNEDY. Senator Goldwater opened up the question of Mr. Bridges' influence?

Mr. CRUM. He did.

Senator KENNEDY. Who initiated the interrogation in regard to the question of Mr. Bridges' influence on the Republican or Democratic candidates?

Mr. CRUM. I thought it was Senator Goldwater, but I may be mistaken.

Senator GOLDWATER. I asked Mr. Crum if he felt he had enough experience or had known Mr. Bridges long enough to comment on the question. I believe I tried to compare Mr. Bridges' hold on the island with Mr. Hoffa's hold on the mainland and asked if that were not true. He is merely expressing an opinion in answer to a question.

Senator KENNEDY. As I understand it, though, the Senator from Arizona asked you as to the degree of control that Mr. Bridges had over the island's economy.

Mr. CRUM. Yes.

Senator KENNEDY. He did not ask you whether you considered Mr. Bridges dominated the Republican or Democratic candidates for the various offices, or did he?

Mr. CRUM. I don't recall—

Senator KENNEDY. Wasn't the fact that the first question with regard to the degree of control which Mr. Bridges had over the Republican or Democratic candidates, your opinion on that question was elicited in response to a question of Senator Capehart's?

Mr. CRUM. I think so.

Senator KENNEDY. Did Senator Capehart ask you what your opinion was?

Mr. CRUM. Yes, sir.

Senator KENNEDY. And you gave it?

Mr. CRUM. I gave it.

Senator KENNEDY. As I understand it, contrary to what you were discussing this morning in regard to your conversations with Mr. Hoffa, and Mr. Bridges and his representatives, you are now giving your opinion without factual material on which to base it?

Mr. CRUM. That is right. I have no facts except that I know Mr. Bridges controls Hawaii.

Senator KENNEDY. When you say that he controls Hawaii, there isn't any doubt that he has the ability to close down the island economically, at least, as far as it may be dependent upon supplies from the mainland.

Mr. CRUM. And has done so.

Senator KENNEDY. But when you say that he controls Governor Quinn, the Republican candidate for Governor, and he controls Delegate Burns who is the Democratic candidate for Governor, plus the various candidates for Senate on both sides, and the House, do you mean to say he can influence them through this economic power or do you mean that they are his people?

Mr. CRUM. I mean that he has sufficient influence in Hawaii to persuade a sufficient number of Hawaiian voters to vote either for these men or against them. That is what I mean.

Senator KENNEDY. It is a little different from at least the impression which might have been created from your earlier remarks. You are talking really about the excessive power which Mr. Bridges has.

Mr. CRUM. Yes, I am.

Senator KENNEDY. Over the islands of Hawaii, due particularly to the sensitivity of the economy. You are not attempting to cast aspersions on the character of Mr. Quinn and Mr. Burns. You don't know them.

Mr. CRUM. I don't.

Senator KENNEDY. You have no evidence that would link the senatorial candidates on either ticket, candidates for the House or candidates for Governor, that would link them personally to Mr. Bridges?

Mr. CRUM. No. I think very frequently, when men become officials of government, they rise to the position they occupy. It may be true in this case, but I am still of the opinion that Mr. Bridges

has sufficient influence and power to elect whomever he wishes from the present State of Hawaii.

Senator KENNEDY. Now that is a question of your judgment.

Mr. CRUM. Yes.

Senator KENNEDY. As to the degree of economic and political control which Mr. Bridges is able to develop and maintain on the island of Hawaii.

What I am attempting to find out, and perhaps you could restate it, you are not attempting to suggest that these particular men have been advanced to their present state in the island of Hawaii because they happen to be subservient of Mr. Bridges.

Mr. CRUM. I know nothing about them.

Senator KENNEDY. Thank you.

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. The question that I asked was basically one of economic power. Being chairman of the senatorial campaign committee for the Republican side I can tell you, and I am sure my counterpart on the Democrat side would report the same thing, that we find a great reluctance among Hawaiian businessmen to tackle Mr. Bridges. We find some of that reluctance in our own country, I mean on the mainland, unfortunately, where the shadow of Mr. Hoffa is so powerful that they think twice before they do anything to cross him.

That was really the basis of my question. I apologize for not having brought that out before, because I certainly did not want the witness to be put in the position of testifying more or less from hearsay. Being a west coaster myself, I agree with him that it is common knowledge that Mr. Bridges can do with Hawaii pretty economically what he wants to do, and being able to do that he likewise carries over in the political field, because those people who should be battling him in both parties show great reluctance to do so.

The CHAIRMAN. Any other comment or question?

Senator MUNDT. Yes; I would like to make a comment and then ask a question on the statement that the witness made because having the prospect of having Harry Bridges as a seatmate in the Senate is a kind of terrifying prospect to me. I have been trying to get him in deep water. To find him a seatmate would be a little disconcerting, to say the least.

I appreciate the testimony you have given. I think this is helpful. You said you thought Harry Bridges had enough influence to determine the political outcome in Hawaii or Alaska?

Mr. CRUM. Yes.

Senator MUNDT. Two of our fifty States. This is something of very general public concern. Because of your experience and your background and your ability, Mr. Crum, I would like to ask you this question.

What do you think Congress might do in the nature of corrective legislation to eliminate a situation such as you have described?

Mr. CRUM. I think Congress is the judge of the fitness of its own Members, Senator.

Senator MUNDT. That would come after the fact. Is it not possible for us to devise some legislative enactment which will stop men from getting this unholy power?

Mr. CRUM. I don't think so, outside of the passage of the bill of attainder, which I am sure you would oppose as well as I.

Senator MUNDT. You don't think any legislation could be enacted which would keep labor leaders from getting such unholy power?

Mr. CRUM. Yes; I do. I think the chairman's proposal and the other proposals pending before the Congress would certainly diminish the kind of power that has heretofore been exercised very recklessly.

Senator MUNDT. Would you agree with me that this is a matter of serious nature generally to get that kind of legislation enacted?

Mr. CRUM. Yes, sir; I do.

Senator MUNDT. Before he actually does control the political situation in 2 of our 50 States?

Mr. CRUM. In my opinion, Mr. Hoffa and Mr. Bridges together today do control the transportation system of our country and Canada and Alaska and Hawaii.

Senator MUNDT. And certainly if they could coalesce their unions such as they talk about in the newspaper, this could make it all the more urgent.

Mr. CRUM. Yes, sir.

Senator ERVIN. I would like to ask you your opinion, too. Is it not your opinion that history shows that no man and no group of men are fit to be trusted with unlimited power? And do you not believe that the revelations made before this committee show that there is crying need in the United States for Congress to pass some legislation which will prevent the exercise of uncontrolled and unbridled power on the part of certain labor leaders?

Mr. CRUM. Yes, sir; I do. I believe that power corrupts, and absolute power corrupts absolutely. We are dealing here, sir, with a question of absolute power.

Senator ERVIN. Do you not consider that the Teamsters Union with over a million and a half members is the most powerful union in the United States today?

Mr. CRUM. Yes; I do.

Senator ERVIN. Do you not believe that every business in the United States, which is dependent upon transportation for its prosperity and survival, exists only at the hands of the tender mercies of the Teamsters Union?

Mr. CRUM. At the sufferance of Mr. Hoffa; yes, sir.

Senator ERVIN. Do you not agree with the observation I made on the floor of the Senate during the debate on the labor bill that Mr. Hoffa has more actual power than any man in the United States except possibly the President?

Mr. CRUM. I do so believe.

The CHAIRMAN. Are there any other questions?

Senator KENNEDY. Do you believe that Mr. Hoffa has used that power very wisely?

Mr. CRUM. No, sir; I do not.

Senator KENNEDY. I want to say about Hawaii and Alaska that the Senate of the United States in making its judgment on whether they be admitted did go into this question, based on numerous investigations which had been made, and came to a different conclusion than you, but it is a matter of their opinion and your opinion.

I must say that while the power may be very substantial, particularly when Mr. Hoffa and Mr. Bridges associate together, I have confidence in the character of both the Senators elected from Alaska and the Governor and both the Republican and Democratic candidates for the Senate in Hawaii.

The CHAIRMAN. Now we have Hawaii disposed of. Thank you very much.

Mr. WILLIAMS. Mr. Chairman, I understand that according to your rules anyone whose name is mentioned specifically by a witness appearing here has the right to ask the Chair for permission to testify.

I respectfully request permission to testify now before this committee.

Senator MUNDT. I understand that the witness is asking the right to testify under oath as a witness.

Is that right, Mr. Williams?

Mr. WILLIAMS. That is right.

The CHAIRMAN. The rule under which the witness makes his request is rule No. 12 of the rules of the committee, and I will read it so that the record may be clear at this point.

Any person whose name is mentioned or who is specifically identified and who believes that testimony or other evidence presented at a public hearing, or comment made by a committee member or counsel, tends to defame him or otherwise adversely affect his reputation, may (a) request to appear personally before the committee to testify in his own behalf, or, in the alternative, (b) file a sworn statement of facts relative to the testimony or other evidence or comment complained of regarding himself. Such request and such statement shall be submitted to the committee for its consideration and action.

I think Mr. Williams' request clearly comes within the rule.

Since he requests to be heard now, and we have a full quorum of the committee present, the Chair will rule, subject to the committee's approval, that the witness is entitled to be heard at this time.

Is there objection?

The Chair hears none.

Be sworn, Mr. Williams.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. WILLIAMS. I do solemnly swear.

TESTIMONY OF EDWARD BENNETT WILLIAMS

The CHAIRMAN. Mr. Williams, make a brief statement, if you will first, identifying yourself for the record, and just a brief statement as to your clients' representation, your professional relation with those involved, just as background.

Mr. WILLIAMS. My background is this: My name is Edward Bennett Williams. I am a lawyer who has practiced law in the District of Columbia for 15 years.

I have a reputation. For whatever it is worth, I am not going to allow it to go without being defended against a false, vicious, and contrived smear that I have heard here this afternoon.

That is my identification, sir.

The CHAIRMAN. Just a moment. I think I might inquire a little further.

You do represent either Mr. Hoffa, the Teamsters, or both, do you?

Mr. WILLIAMS. I am employed on a contractual basis to render legal services to the International Brotherhood of Teamsters, Warehousemen, Chauffeurs & Helpers of America, and I do represent them legally, among other clients.

The CHAIRMAN. And you represent Mr. Hoffa at times when he appears here?

Mr. WILLIAMS. As president of the union I come with Mr. Hoffa when he appears.

The CHAIRMAN. You have been involved in that capacity as one of the attorneys in the proceedings pending in Judge Letts' court?

Mr. WILLIAMS. Yes, sir.

The CHAIRMAN. Now you may proceed.

Mr. WILLIAMS. First of all, Mr. Chairman, the statement has been made here by Mr. Crum that on Thursday last at a lunch that I said to him that I would recommend the payment of Mr. Godfrey Schmidt's fees as a monitor if Mr. Crum would not appear before this committee.

That statement, sir, is absolutely, completely, unequivocally, unqualifiedly false.

The facts are these, Mr. Chairman.

On Thursday Mr. Crum's secretary called my office, talked to my secretary, and asked that I have lunch with him in Washington that noon. I was not present in my office when the call came.

When I returned, I had my secretary call Mr. Crum's secretary and say that if he would call me upon his arrival in Washington I would let him know. I had a court engagement that morning, so I was not sure whether I could have lunch with him or not.

At approximately 12:45 Mr. Crum himself called me and asked me to lunch with him. In the light of later events, thank God there was present with me in my office at that time another lawyer. By a pure coincidence I ask the other lawyer to join us for lunch and he did, sir. And we lunched at Duke Zeibert's Restaurant at 16th and L Streets, between about quarter of 1 and 2 o'clock. The name of that lawyer is Mr. Harold Ungar.

I implore you, in the interest of fairness, in the interest of my reputation, for whatever it is worth, to put a forthwith subpoena on that lawyer now and to bring him here and to ask him the cold bald question if what Mr. Crum said is true. I ask you to do that right now, sir.

The CHAIRMAN. All right, proceed.

Mr. WILLIAMS. I say to you in asking you that, that I have had no communication whatsoever, directly or indirectly, with Mr. Ungar. I will be very happy to give you his telephone number at this moment.

The CHAIRMAN. Give us the number.

Mr. WILLIAMS. The number of Mr. Unger is Sterling 3-3775, and if you call his office I am sure they will tell you where he is. I would ask you to put a subpoena on him and bring him here forthwith and ask him whether Mr. Crum's testimony is true or false.

The CHAIRMAN. Mr. Williams, I have instructed a member of the staff to call him and ask him to come. We will serve a subpoena on him when he gets here. I thought that might expedite it. If he declines then to come on request, of course, we will have to subpoena him.

All right, proceed. I already have one signed for him.

Mr. WILLIAMS. I am not going to argue the point, Mr. Chairman, as to the fantastic incredulity of the story Mr. Crum has spun here concerning the Thursday meeting. I am willing to stand on my categorical denial and on all the available corroborative evidence that can be summoned here immediately.

Now, with respect to the rest of Mr. Crum's testimony, in July of 1958—and I gathered some of these things together during the luncheon recess after hearing part of Mr. Crum's testimony—I read in the New York Herald Tribune on July 16, under the byline of one Robert A. Bedolis, that Mr. Schmidt, one of the court-appointed monitors, had claimed that a bribery attempt had been made on him which he said emanated from the Teamsters to get him to withdraw as a monitor.

When I read that, I immediately sought an appointment with Judge Dickinson Letts, of the District of Columbia Federal court. I advised Mr. Crum that I was seeking such an appointment. I advised Mr. Martin O'Donoghue, and I was granted such an appointment and I appeared before Judge Letts, and I asked on behalf of the client that I represented that a full and complete investigation be made of this charge that had been made in the press by Mr. Schmidt.

I was assured by Judge Letts—

The CHAIRMAN. Do you have a copy of that news article you referred to?

Mr. WILLIAMS. Yes.

The CHAIRMAN. Let it be made exhibit No. 86.

(Article referred to was marked "Exhibit No. 86" for reference and may be found in the files of the select committee.)

Mr. WILLIAMS. I was assured by Judge Letts that he would see, insofar as his office permitted—and I assumed that he intended to use the Federal Bureau of Investigation—that a full investigation should be made.

At that time, he asked all of us to report everything that developed thereafter, factually from this charge.

Senator MUNDT. So we can get the dates, about what time was this?

Mr. WILLIAMS. This was July of 1958, Senator Mundt.

Senator MUNDT. Last year?

Mr. WILLIAMS. Yes, sir.

Senator MUNDT. Thank you.

Mr. WILLIAMS. Thereafter, wholly on my own and without the knowledge or consent or advice of Mr. Crum or Mr. Schmidt, or anyone else, I saw Mr. Arthur Christy, the U.S. attorney for the southern district of New York, and I personally asked Mr. Christy, insofar as the limitations of his office permitted, to have a full, completely thoroughgoing investigation of this charge.

That meeting with Mr. Christy was held in his office in the U.S. district court house at Foley Square in New York City in July of 1958. Thereafter, as part of the order in the case which is styled *Cunningham v. English*, Judge Letts ordered us to pay fees to the plaintiffs' counsel, which were Mr. Schmidt and Mr. Dodd and Mr. Blumenfeld, in the amount of \$210,000.

At the time of the hearing, I said to Judge Letts in open court, and it is part of the record, that I believed that the demands that the

lawyers for the so-called dissident rank and file group made—namely, fees in the amount of \$350,000—were unconscionable.

I said that to the judge then, and I repeat it here. I also believed that the award which Judge Letts made was excessive and not supported by the evidence. I said to Judge Letts then that we proposed to appeal his ruling.

Senator ERVIN. Just for the record, was that the case in which the monitor decree was entered and the monitors appointed?

Mr. WILLIAMS. Yes, sir. That is the case in which plaintiff's counsel had widely advertised the fact that they were conducting this case as a public service without expectation of remuneration or reward for themselves.

In September 1958, members of the committee, certain facts came to my attention which made me believe that Mr. Schmidt could not serve any longer as a monitor. I filed in the U.S. district court, with Judge Letts, a petition to remove Mr. Schmidt as a monitor on the ground that he had a demonstrable conflict in interest, in that, and these facts that I recite are uncontradicted and are, for all purposes, conceded by Mr. Schmidt, that at the time he was serving as a monitor he represented the Producers Distributors Associates, a New York employer, against Teamsters Local 816 in an arbitration proceeding before the New York Trucking Authority, and that he, himself, appeared at one session; that he held two or three conferences with the secretary-treasurer of the local, while he represented the employer, while serving as a monitor of the union.

I called to the attention of the court that Mr. Schmidt representing the Howard Johnson Restaurants in collective bargaining negotiations with a Teamsters local in New York; that before any contract was reached, a petition was brought into the National Labor Relations Board for decertification of the local as the bargaining representative, and Mr. Schmidt's employee, Mr. Larry Smith, appeared before the National Labor Relations Board on behalf of the employer.

I called to the attention of the court that Mr. Schmidt represented Schrafft's restaurant chain in New York, and that in March and April of 1958, contract negotiations were conducted between Teamsters Local 816 and Schrafft's, being represented by Mr. Schmidt at the same time he was serving as a monitor.

I called to the attention of the court that Mr. Schmidt's firm represented the Coin Service Co. in collective bargaining with Teamsters Local 575 while he was serving as a monitor.

And finally, that his firm represented the Independent Sanitation Owners Group of New York in collective bargaining negotiations with Teamsters Local 813. I said to Judge Letts then, and I say now, that it seemed to me to be at war with the duties of a monitor acting in an advisory capacity with the labor union, for him to represent employers in collective bargaining dealings with the same union and felt that those grounds were sufficient for his removal.

I filed a court proceeding on September 29, 1958, to effect that end. I might say at this point I do not know Mr. Harry Bridges, or I do not know Mr. Goldblatt, whose names have been mentioned here today. So far as I know, I have never, in my life, had a conversation with either one directly, indirectly, personally or by telephone.

In October of 1958, Mr. Crum, representing Mr. Schmidt, as a lawyer, representing Mr. Schmidt as a lawyer, Mr. Schmidt being the lawyer who wanted to collect his fee, attempted to get us to pay the \$210,000, \$105,000 to Schmidt and \$105,000 to the other two lawyers to be divided between them.

The suggestion was made then for the first time that two facets of this litigation could be settled: The motion which we had filed to remove Schmidt would be unopposed if the fees were paid. I was anxious to secure Mr. Schmidt's removal then and always after I learned of the fact that this conflict of interest existed.

But it was to no interest to me as a lawyer, and I so advised my client, that we should succumb to the payment of what I regarded then as an unconscionable fee and what I told the court of appeals later in a brief was an unconscionable fee.

Negotiations were conducted in a most perfunctory way. Nothing ever came of them. Mr. Schmidt stayed on as a monitor. His fees were opposed, and his monitor's fees were opposed, members of the committee, and I want to tell you why they were opposed.

They are being opposed right now. While Mr. Crum was testifying here this morning, he had Mr. Bartosic, of the Board of Monitors, calling me on the telephone to see if I would consent, even now, even now this morning, and urge my client to pay the monitor's fees which have not yet been paid to Mr. Schmidt.

Mr. Schmidt has received, contrary to what Mr. Crum said this morning, \$30,550 in monitor's fees to date, and he has received \$7,194.43 in expenses, or a total of some \$37,600 to date. His last bill for a period of 6 months was in excess of \$28,000. It was exactly what the other two members of the Board of Monitors were claiming together.

In other words, it was twice as much as either of the other monitors was claiming as his compensation for the same period of time.

Senator GOLDWATER. Would you yield, Mr. Williams? Have the other monitors been paid?

Mr. WILLIAMS. Yes, sir; they have been paid, Senator Goldwater, because we have not disputed the reasonableness of the chairman's charges or the monitor designated by the international union. The chairman's charges, Mr. O'Donoghue, have been paid in full always. Chairman Cayton's bills were paid in full.

Senator GOLDWATER. If I can clear up a point, I was under the impression that the monitors' fees had been set by the court. Am I wrong in that?

Mr. WILLIAMS. The monitors' fees were not set by the court, Senator Goldwater. The lawyers' fees were. The \$20,000 fee was set by Judge Letts. But the monitors follow the practice of submitting bills periodically for their services, and they bill for hours worked.

I believe that they bill on the basis of \$25 an hour. I think that is accurate. Then they get their expenses over and above that. We believed that the bills submitted by Mr. Schmidt were excessive. We believed the expenses submitted by Mr. Schmidt were excessive, and we resisted payment of the expenses.

As a matter of fact, some of those expenses have been disallowed. As a matter of fact, we believed that the expenses filed incident to the suit were excessive. The original demand by the lawyers and the

rank and file for expenses was approximately \$90,000. I can produce those here, if necessary.

Ultimately, the judge felt that \$90,000 to Mr. Schmidt compensated him for his expenses. I don't want to be bound by the first figure. I do know that the rank and file asked for some \$60,000, and at an informal conference in my office there was an original demand of that made informally by Mr. Schmidt's lawyers. That was subsequently reduced at the time of hearing.

Senator GOLDWATER. May I go back on one more point before you proceed?

Mr. WILLIAMS. Yes, sir.

Senator GOLDWATER. Is it true that the judge held that there was no conflict of interest in Mr. Schmidt's case? And then is it also true that the court of appeals decided in June of this year contrary to the judge's ruling?

Mr. WILLIAMS. Senator, it is true that Judge Letts ruled against the contentions that I made that Mr. Schmidt had a conflict of interest. He said that he found no conflict of interest. When the case went to the court of appeals the court of appeals found differently, and the court of appeals in its opinion on June 10, 1959, held that there was a potential conflict of interest in Mr. Schmidt's role and that Judge Letts should reappraise and reevaluate, in the light of the decision of the court of appeals, whether or not Mr. Schmidt should continue to sit.

Senator GOLDWATER. Did they distinguish that from an actual conflict of interest or just potential?

Mr. WILLIAMS. I want to read that to you, Senator.

Senator GOLDWATER. I think it would be important to have it in here.

Mr. WILLIAMS. It says:

His private employment in negotiating with Teamster locals on behalf of employers tends potentially—and that is all that is necessary to create conflict of interest—to condition the exercise of his public responsibility as an officer of the court. Obvious, too, is the potential pressure upon Teamster locals in negotiating terms of employment with one who while representing the bargaining employer is a monitor who possesses great influence in the affairs of the Teamsters.

This is why I believed that Mr. Schmidt should not sit as a monitor after September of 1958.

Senator MUNDT. What is the present status of this court action? Did anybody appeal from the circuit court of appeals? Did Judge Letts change his ruling? Has the thing been finally adjudicated or is it still in the air?

Mr. WILLIAMS. Mr. Schmidt resigned, Senator Mundt. He resigned some weeks ago. We have never received any notice from Mr. Schmidt or from his lawyer that he resigned, but I have read in the press that he resigned, and I have heard over the air that he resigned. As a matter of fact, his successor was sworn in, according to my information, this morning, who was the same Lawrence Smith who was his employee in his office and who admittedly represented employers in dealing with the Teamsters Union at the time that the monitorship was in effect.

So my position, members of the committee, has been unchanged since September of 1958, that Mr. Schmidt should not serve as a monitor in the light of this conflict.

After October or November of 1958, and I have not kept the kind of records that the previous witness says he kept with respect to these negotiations, I am telling you according to my recollection, after that Mr. Schmidt continued to serve, he continued to serve through June and maybe the first week in July. I don't know the exact date of his resignation, but suffice it to say insofar as I know, no money, nothing of value, no remuneration, directly or indirectly, was paid to Mr. Schmidt to effect his resignation. I so told Mr. Kennedy one night recently when he called me on the telephone at home, and told him that I had no information on anything being offered to Mr. Schmidt to resign, and that is the fact.

The CHAIRMAN. At that point, was there an offer made to him to resign at the time that two or three lawyers contacted him—the first contact?

Mr. WILLIAMS. There was a meeting. I would fix it, Senator McClellan, in November—I may be in error on that—between the lawyers looking toward the settlement of the fee dispute and the settlement of the petition to remove Schmidt to eliminate two phases of the litigation pending before Judge Letts. That meeting was unproductive. No agreement was ever reached.

The CHAIRMAN. I am trying to get the record clear here. I understood Mr. Crum to say that he was first contacted about the 4th of July 1958 by some lawyers whom he named and that you knew about that and you, together with him and others, in the presence of Judge Letts, discussed it.

Now what I am asking is, was there some offer made to him at that time or some proposition with respect to Schmidt's resignation? Was that involved in those discussions?

Mr. WILLIAMS. No, because so far as I know no offer was made to him at that time. In fact, the only knowledge I have is what Mr. Crum reported to me in a telephone conversation which I believe was on the 4th of July 1958, after which we immediately saw Judge Letts. I asked for a full investigation, not only from Judge Letts, but from the U.S. attorney in New York.

The CHAIRMAN. At that time he reported at least that he had been contacted and it had been proposed that Schmidt resign?

Mr. WILLIAMS. By some lawyers whose names I don't recall, of whom I had never heard before at that time, whom I have never met to this day or spoken to this day, who are in New York, I believe.

May I say this to you, Senator: At that time, in July 1958, the information on the conflict of interest had not yet come to our attention. That did not come until, I believe, September of 1958, at which time I immediately laid it before the court and asked that the court remove Mr. Schmidt as a monitor.

So that, running contemporaneously as two specific facets of the litigation, were a petition to remove Mr. Schmidt and a dispute over his fees as a lawyer.

The conference which you referred to, I believe a moment ago, was a conference in October or November, I believe, among the lawyers

looking toward the resolution of those two separate phases of the litigation. They were not resolved.

The CHAIRMAN. But I understood you to testify a while ago that you knew of no proposition being made to Mr. Schmidt to pay him his fees if he would resign.

Mr. WILLIAMS. Not until I was advised on July 4 of 1958 by Mr. Crum.

The CHAIRMAN. The only knowledge you had of it was what Mr. Crum reported to you—that he had been so approached?

Mr. WILLIAMS. I am quite sure——

The CHAIRMAN. You have no personal knowledge of it yourself?

Mr. WILLIAMS. I am quite sure that Mr. Crum was my source of information and I am positively sure that I have no personal knowledge of it myself.

Mr. KENNEDY. In October 1958 were there some discussions in connection with these two matters, No. 1, that he would resign, and No. 2, that the fee dispute would be settled?

Mr. WILLIAMS. Yes, there were discussions, I don't know whether it was October or November, but there was a meeting at which I was present wherein this subject was discussed.

Mr. KENNEDY. This subject being the fact that Godfrey Schmidt would resign as a monitor and his fee would be paid?

Mr. WILLIAMS. That he would yield to the motion which had been filed in court looking toward his removal and that his fee would be paid.

I was opposed to that. I was strongly opposed to it because I felt that the fee was far, far too excessive in this case.

Mr. KENNEDY. Mr. Williams, that is the major basis of Mr. Crum's testimony, that he had discussions with representatives of the International Brotherhood of Teamsters regarding the fact that if Godfrey Schmidt's fee was paid he would resign. He said he discussed it with you in October.

Mr. WILLIAMS. Yes.

Mr. KENNEDY. I thought from your testimony earlier that you said you had never heard about this up until July 4. Do I understand now that you did know about it back in October 1958?

Mr. WILLIAMS. I guess you are confused, Mr. Kennedy, because I told you a moment ago quite clearly that I heard about this on July 4, 1958. That is when Senator McClellan asked. On July 4, 1958, I learned from Mr. Crum that Mr. Schmidt was claiming that an approach had been made to him to withdraw as a monitor. That is when we went to Judge Letts. That is when I went to Mr. Christy in New York and asked for an investigation.

Now we are talking about a subsequent time. We are talking about October and November of 1958, some 5 months later.

Mr. KENNEDY. So there were discussions in October of 1958 with a view to Godfrey Schmidt receiving his fee and resigning as a monitor?

Mr. WILLIAMS. Yes, but there was no mention made here this morning of the fact that there was pending contemporaneously a separate proceeding to remove Schmidt; that it was a legal proceeding in court; that we had asked the Federal court to remove him; that there was nothing clandestine or surreptitious about our efforts to get him

out as a monitor. We had all these facts before the court, and subsequently the court of appeals said there was such a conflict.

It was looking toward a resolution of that phase of the controversy that the meeting was held in November or October which you have just mentioned.

Mr. KENNEDY. It seems to me that either he was entitled to the fee or he was not entitled to the fee. We cannot settle this question here. The matter that is of interest is the fact that an approach was made to him that if he did resign as a monitor, his fee would be paid. I think that that is the heart of the testimony of Mr. Bartley Crum.

As I understand your testimony here, there was such a discussion in October of 1958.

Mr. WILLIAMS. Mr. Kennedy, I think the lawyers on the committee will understand that when a judgment is returned and when it is on appeal, frequently associations are held between the lawyers looking toward a settlement of the amount to be paid, notwithstanding that one court may have said \$210,000 is accurate, looking toward the ultimate resolution of that question when another court might say it is too high. We undertook to settle that matter quite unsuccessfully, but it is inaccurate to say that either you owe \$210,000 or you don't, because there are judgments returned every day in court by a lower court which is settled on appeal before a higher court passes on them, and there is nothing improper about attempting to settle; in fact, the courts urge efforts be made toward a compromise of pending litigation, and it is in the highest traditions of the profession to attempt to settle these matters.

So only as recently as last Tuesday Judge Letts asked us again to attempt to compromise the monitors' fees, at a time when there is still pending in his court the matter of Mr. Schmidt's removal, although it is now mooted out because Mr. Schmidt has resigned.

Senator KENNEDY. Mr. Williams, I am not a lawyer, but it seems to me the question is not how much Mr. Schmidt ought to be paid. I am not completely sure I would have suggested Mr. Schmidt as monitor. I am not attempting to make a judgment as to whether the fee is excessive. Really what we are concerned about is whether there was a double arrangement that the total fee would be paid without any question, including expenses, if Mr. Schmidt would also resign as monitor.

Now, did you know that that was being done by Mr. Goldblatt?

Mr. WILLIAMS. No.

Senator KENNEDY. You didn't know that?

Mr. WILLIAMS. I don't know what Mr. Goldblatt's role in this matter is. I don't know anything about Mr. Goldblatt's role.

Senator KENNEDY. If I may ask you two or three questions about Mr. Goldblatt.

Mr. WILLIAMS. You may ask me the questions, Senator, as soon as you correct the misstatement of your question.

Senator KENNEDY. All right, if you will correct it.

Mr. WILLIAMS. There was never any suggestion that expenses be paid to Mr. Schmidt in this suggested proposal made by Mr. Crum. Mr. Schmidt's expenses were long, long before paid in toto. The only suggestion that was made was that if Mr. Schmidt were paid his fee as a lawyer—

The CHAIRMAN. Both as a lawyer——

Mr. WILLIAMS. As a lawyer.

The CHAIRMAN. Only?

Mr. WILLIAMS. I don't know without looking at the record whether there were any monitors' bills outstanding in October 1958; that was never discussed.

The CHAIRMAN. The monitors' fees were not included?

Mr. WILLIAMS. My recollection is that there were not any outstanding. I may be wrong on that. I may be shown to be wrong when the records are produced. But we are talking about his fee as a lawyer. Schmidt had a claim, just like a litigant, of \$210,000 against the Teamsters treasury, and the lower court said he was entitled to it.

Now he said if you will pay me I will not contest the motion that is filed against you, Mr. Schmidt.

Senator KENNEDY. Did his lawyer initiate that, or did you or a representative of the Teamsters?

Mr. WILLIAMS. I hope you will let me finish.

Senator KENNEDY. I am trying to ask you questions.

Mr. WILLIAMS. I know you are trying to ask me questions before I finish my previous answer.

Senator KENNEDY. You are correcting me in my statement that the money involved included his lawyer's fee and expenses. You stated it did not include expenses. I will accept that correction. I am now trying to find out whether, first, you knew that an approach had been made to Mr. Crum by Mr. Schmidt to Mr. Goldblatt.

Mr. WILLIAMS. All I know, Senator Kennedy, is what approach was made to me, and it was made by Mr. Crum and Mr. Feuer, who came to settle this matter. Whether or not Mr. Goldblatt had been talking to Mr. Crum, I don't know. I don't know Mr. Goldblatt. I don't know what he does, except what I heard today, and what Mr. Crum has told me about him in the past few days. Mr. Goldblatt is a friend of his on the west coast who has some association with Mr. Bridges. What Mr. Crum and Mr. Goldblatt's relationship is, I don't know.

Senator KENNEDY. Could I ask you——

Mr. WILLIAMS. But I don't deal with anyone except the lawyers in a case when I am discussing settlement of a case. The only lawyer who authorized to speak for Mr. Schmidt was Mr. Crum and his partner Mr. Feuer. They are the only people with whom I ever have ever dealt on this matter. I have never dealt with Mr. Schmidt on this matter.

Senator KENNEDY. Did you ever have a conversation, then, if I may ask this this way, with Mr. Crum, with Mr. Schmidt's attorney, that if Mr. Schmidt would agree to the motion to withdraw, or whatever the legal term might be, as far as a monitor, that you, speaking for the Teamsters, would agree to compensate him for the entire fee?

Mr. WILLIAMS. I couldn't speak for the Teamsters on this, Mr. Kennedy. I could only make a recommendation. My recommendation was never favorable to paying Mr. Schmidt the \$210,000, nor has it ever been favorable, despite the implications of Mr. Crum over the past 2 weeks, and there have been many of them by phone, to pay him the \$28,000 that he is now claiming he is entitled to as a monitor. I would like to have Judge Letts pass upon that, and at an appropriate time he will.

Senator KENNEDY. I come to the conclusion, then, in view of what you have said, that you were not informed by Mr. Hoffa and Mr. Goldblatt of the attempts they were making to settle this with Mr. Schmidt, through Mr. Crum, that this matter then, as I understand it, is that you are not stating that these offers were not made, but only that you had not been informed of them. Your position was that the fees were excessive. You are stating to this committee that you never made a proposition or entertained one, whereby they would be paid in full if Mr. Schmidt would agree to not contest the order or action that the Teamsters had taken to have him withdraw.

Therefore, in other words, this was being done by Mr. Hoffa and Mr. Goldblatt without your knowledge. Is that correct?

Mr. WILLIAMS. I can't speak of personal knowledge of any kind of knowledge as what conversations Mr. Goldblatt had with anyone. I don't know Mr. Goldblatt or anything about him. I only know what propositions were made looking toward a settlement of this case by Mr. Schmidt's lawyers. It isn't accurate to say, Senator, that I didn't entertain the suggestions that were made by Mr. Schmidt's lawyers. I listened to everything that they had to say, and insofar as I listened, and I suppose I entertained their suggestions, looking toward a resolution of these two matters. But the fact is such a settlement was never consummated, and as far as I am concerned, there never has been a possibility of consummating it.

Senator KENNEDY. Were you aware, Mr. Williams, of the conversation which Mr. Hoffa had with Mr. Crum or that Mr. Goldblatt or Mr. Bridges were having conversations with Mr. Crum?

Mr. WILLIAMS. I would have to say to you, Senator, in response to that, that I believe the first I ever heard of the fact that Mr. Hoffa spoke directly to Mr. Crum directly outside of my presence was here today. I don't believe I ever knew—if it be the fact, and I don't know that it is the fact now—but if it is the fact, I do not believe that I ever knew before today that Mr. Hoffa and Mr. Crum had conversations private in nature, if they did have such conversations.

Senator KENNEDY. Did you ever know that Mr. Goldblatt or Mr. Bridges had conversations with Mr. Crum in regard to the same matter that was of more direct concern to you—in other words, the settlement of the fee—that they ever had conversation, Mr. Bridges or Mr. Goldblatt, in regard to this matter? Did you ever know that before today?

Mr. WILLIAMS. Only what Mr. Crum told me, Senator.

Senator KENNEDY. Afterward?

Mr. WILLIAMS. I am quite sure that Mr. Crum told me that he was talking about this matter to his friend, Mr. Goldblatt, for whatever interest he might have in it. I don't know.

Senator KENNEDY. In other words, Mr. Williams, what I want to get clear is that you were not a participant in the arrangement, the attempted arrangement, which Mr. Crum has described to us today; namely, that the fee would be paid in full if Mr. Schmidt would be willing to withdraw as a monitor. He stated very clearly under oath that was the proposition which Mr. Goldblatt made, which Mr. Hoffa agreed to by phone, which Mr. Bridges discussed. I am not attempting to suggest in any way that you were involved in it. I am merely asking did you know that these conversations were going on between these gentlemen.

Mr. WILLIAMS. No; I told you exactly what I know about the efforts to settle these two phases of the case in October and November of 1958. What I know about them, Senator, is the conversations that we had lawyer to lawyer, looking toward a settlement of these matters, and it was always presented on that basis. It was presented as a settlement proposition for two legal cases.

Senator KENNEDY. But you did discuss, did you, or not, in October—did you discuss, Mr. Williams, or when Mr. Crum finally told you that Mr. Goldblatt and Mr. Bridges had been having these conversations during the summer, conversations that you had in the fall with Mr. Crum on this subject, was it discussed by you, ever, that if Mr. Schmidt would withdraw or not contest your desire to have him withdraw, that he would then be paid in full?

Mr. WILLIAMS. Did I ever discuss that with Mr. Crum?

Senator KENNEDY. Yes.

Mr. WILLIAMS. Do you mean did I ever discuss with Mr. Crum that Mr. Goldblatt had these conversations?

Senator KENNEDY. No.

Mr. WILLIAMS. Well, I discussed with Mr. Crum and his partner, Mr. Feuer, the payment in full of Mr. Schmidt's fee claim if there were no contests on the petition for removal. I have told you several times this afternoon we discussed that at meetings in October, November, or both.

Senator KENNEDY. This is exactly what Mr. Crum has stated. We have never stated, I have never stated, Mr. Williams, that you were a participant in these initial conversations. I am merely stating that the Teamsters Union, based on your testimony this afternoon, first with Mr. Goldblatt and Mr. Bridges, attempted to make a deal which Mr. Crum described in a sense as an attempted bribe, in order to persuade Mr. Schmidt to withdraw, that they would settle what you, yourself, have stated was an excessive fee, and which may have been an excessive fee, but which you were not willing to settle, but which they would settle in full, even though it was your opinion as to the official legal counsel of the Teamsters that it should not be paid, that they would be willing to settle it if he would withdraw. Then you yourself had these conversations at a later date, as I understand it, beginning in the fall.

Mr. WILLIAMS. These conversations were initiated by Mr. Schmidt's lawyers with me.

Senator KENNEDY. As I understand it, he has stated that the conversations were first initiated by another representative of Mr. Hoffa, Mr. Goldblatt, and another representative of his in these negotiations, who was Mr. Harry Bridges. It seems to me that you have some complaints that they should involve you in this matter without informing you of it.

Mr. WILLIAMS. I don't know whose representative Mr. Goldblatt was, Senator, possibly you do. I don't know whether he was Mr. Crum's representative or whose representative he was. I know Mr. Crum has described him as an associate of his, but I know nothing else about Mr. Goldblatt than that.

Senator KENNEDY. Not only an associate but someone he knew. Goldblatt has taken the fifth amendment when asked these questions as to his part in the matter. But if Mr. Goldblatt is not ready to

clear his name, and the same conversations were carried on with you in the fall, and the evidence of the memorandum we have here, the phone calls and all the rest, I must say that I would think that at least it is quite evident as to what happened. I would think you would have a complaint that Mr. Hoffa did not discuss it with you, instead of going behind you and picking Harry Bridges, and Bridges and Mr. Goldblatt to initiate these negotiations.

Mr. WILLIAMS. I appreciate your observations on that, Senator, and I will weigh them very carefully.

Senator KENNEDY. Did you make any statement lately, Mr. Williams, as Mr. Crum testified to, that there might be obstruction of justice matters involved, or that you could be sitting on a keg of dynamite in this connection?

Mr. WILLIAMS. Mr. Crum came to see me. I don't know whether or not I would have any records to fix the date. He undoubtedly has. He came to see me and talked to me once again about the payment of \$210,000 to Mr. Schmidt, he came to my office, after the court of appeals decision came down, if Schmidt would resign as monitor. I told Mr. Crum, No. 1, that there was now what I regarded as an interdiction by the court against the Teamsters paying the fee to the lawyers involved, and that I believed that it would be a violation of the court decree, and possibly could be construed as an obstruction of justice if he were paid at this time, while there is pending by the court of appeals decision of June 10, an interdiction against the Teamsters Union paying him the fee, yes, sir; I so said.

Senator KENNEDY. What about the part about "We might be sitting on a keg of dynamite"?

Mr. WILLIAMS. I don't know whether I used that language or not. But I did say——

Senator KENNEDY. Why did——

Mr. WILLIAMS. Just a minute, please. Let me finish.

Senator KENNEDY. Answer the question.

Mr. WILLIAMS. I did say to him that I believe it would be wrong to pay the fee or any part of it as consideration of a settlement of any of the issues in this case while there was pending this interdiction by the court of appeals against paying it. I may very well have said that it might be construed as an obstruction of justice because this case is in very different posture right now than what it was in October 1958.

The court of appeals has now held invalid that section of the consent decree where the Teamsters Union agreed to pay the plaintiff's lawyers. So with that situation obtaining, I do believe that it could be construed as an obstruction of justice if we now offered Schmidt money which the court says we are not at liberty to pay him in order for him to withdraw.

Senator KENNEDY. Was there any discussion about the fact that you might be "sitting on a keg of dynamite," as I asked you?

Mr. WILLIAMS. I have no recollection of that expression being used, none at all.

(At this point Senator McClellan withdrew from the hearing room.)

Senator KENNEDY. You do not remember it?

Mr. WILLIAMS. I said I have no recollection of that expression being used.

Senator KENNEDY. You never saw, then, up until 2 or 3 weeks ago, after the court decision came down, you never saw anything improper or wrong in offering to pay Mr. Godfrey Schmidt's fee in full on one hand and on the other hand his resigning as monitor?

Mr. WILLIAMS. I don't think it is improper now, Mr. Kennedy. I don't want you to think for one moment, for one moment, that I am suggesting to you that I or any associate connected with me was guilty of any impropriety. I don't consciously commit improprieties professionally. When I consciously do something, as I did in this case, I believe it to be right. I believe it to be morally right. I believe what we did in this case to be morally right. I am perfectly willing to submit it to the ethics association or committee of the American Bar Association and have them pass upon it. I believe that what we did was right. I believed it then, I believe it now, I believe that our efforts toward settlement were bona fide, valid, legitimate efforts toward settlement. I am appalled if Mr. Crum thinks differently. He has never said so prior to this morning, so far as I know. We were lawyers looking toward the settlement of a dispute, and an ugly dispute.

(At this point Senator McClellan entered the hearing room.)

Senator KENNEDY. I think, of course, as lawyers I do not think that necessarily excuses any activity or any action. It seems to me that Mr. Godfrey Schmidt was either entitled to the fees or he was not entitled to the fees and they should not have been associated or attached to the fact that he would be paid his fees in full if he resigned as monitor. It seems to me that is highly improper.

Mr. WILLIAMS. I understand what you think, Mr. Kennedy. I will be happy to have the opinion of the bar association's ethics committee on it, who, I believe, are more qualified to pass upon it than you or I. I believe it is right. There was never any effort to conceal it. I think that the lawyers on the committee will subscribe to the view that it is perfectly possible to seek to settle two facets of litigation, and if we settled it, of course, it would have been brought to the attention of the court, of necessity.

Mr. KENNEDY. Mr. Williams, Mr. Crum also testified this morning that he talked to Mr. Goldblatt on November 6 and Mr. Goldblatt suggested to him that he call you and that you could be reached at

Mr. Cheyfitz' home. Did he, in fact, call you?

Mr. WILLIAMS. I told you previously, Mr. Kennedy, and I will repeat because you apparently were not listening, that I have never met Mr. Goldblatt, have never talked to him directly or indirectly, personally or by telephone.

Mr. KENNEDY. That was not the question, Mr. Williams. I think you should listen to the question.

The CHAIRMAN. Let us have the question read.

Mr. KENNEDY. Mr. Crum testified this morning that he talked to Mr. Goldblatt on the telephone and that Mr. Goldblatt suggested that he, Mr. Crum, telephone you at Eddie Cheyfitz' home. He stated he did make such a telephone call and talked to you. Did he, in fact, talk to you?

Mr. WILLIAMS. I have absolutely no recollection of ever talking to Mr. Bartley Crum from Mr. Cheyfitz' home. Absolutely none. I talked to Mr. Crum scores of times. I suppose the records will show that Mr. Crum has called me as many as 20 times in the last 2 weeks.

Mr. KENNEDY. Is Mr. Cheyfitz a friend of Mr. Goldblatt?

Mr. WILLIAMS. I never heard that he was.

Mr. KENNEDY. Did he know him, do you know?

Mr. WILLIAMS. I don't know that he did.

Mr. KENNEDY. I know we have a call from Mr. Goldblatt to Metropolitan 8-6565. Is that your telephone?

Mr. WILLIAMS. That is my telephone but he did not talk to me.

Mr. KENNEDY. No. These things were going on on October 31, a telephone call from Mr. Goldblatt to your office.

Mr. WILLIAMS. He may have known Mr. Cheyfitz. I never heard Mr. Cheyfitz speak of him. I am sure he knew a lot of people I don't know and conversely.

The CHAIRMAN. Is there anything further?

Mr. WILLIAMS. It may be, Mr. Chairman, that I will want to bring other facts to your attention on this. I was told at 11 o'clock this morning, or before that, this was going to be gone into. I have not been back to look at my own files on this, but I will do that tonight.

Mr. KENNEDY. I talked to you about a week ago, as you pointed out. I asked you at that time if there were any conversations of any kind leading to Godfrey Schmidt's resigning as a monitor and being paid his fee.

Mr. WILLIAMS. That's right.

Mr. KENNEDY. Which you discussed here today. You stated to me, and I believe you confirmed it here, that there were no such conversations, no such conversations ever took place.

Mr. WILLIAMS. Just a minute, Mr. Kennedy. You asked me in the frame of reference of Godfrey Schmidt's resignation, which was fresh at the moment, whether there were any conversations that he would be paid to resign. I told you, No. 1, he was paid nothing according to my knowledge and that there were no conversations looking toward being paid anything to bring about his resignation and I stand on that.

What I told you not under oath is the same as I am saying here under oath because I say the same thing not under oath as under oath.

Mr. KENNEDY. I do not understand that, because I thought you just stated here—

Mr. WILLIAMS. I am not surprised you don't understand it, Mr. Kennedy, but I hope the other members of the committee will.

Senator KENNEDY. I thought we agreed, Mr. Williams, in October there were these conversations which you had with Mr. Crum in regard to making the settlement of the fee and Mr. Schmidt resigning. I thought that was what you answered to me. So maybe I did not understand it.

Mr. WILLIAMS. Senator and Mr. Kennedy, you are having some trouble with dates. October 1958 was that date.

Senator KENNEDY. I understand, but what we are talking about, I thought you just stated—

Mr. WILLIAMS. He is talking about a conversation he had with me last week.

Senator KENNEDY. Is it not true in that conversation you stated to the counsel you had had no conversation regarding Mr. Schmidt re-

signing and being paid his full fee? Is that not what you just stated you told the counsel?

Mr. WILLIAMS. And I had none.

Senator KENNEDY. Tell me what you did have in October 1958. Did you not talk to Mr. Crum?

Mr. WILLIAMS. He did not resign, Senator. He resigned in June or July 1959, and that is the context in which he asked me whether there were any conversations that Schmidt was going to get money. He thought Mr. Schmidt was going to get some money for resigning and I told him no, that there had been no conversation in which I had been a participant looking toward any payment.

Senator KENNEDY. There were in October 1958.

Mr. WILLIAMS. Eight months before.

Senator KENNEDY. That is what I asked you.

Mr. WILLIAMS. You didn't.

Senator KENNEDY. Mr. Williams, I must say it is quite clear you were asked if there had been conversation with Mr. Crum. Now, there were such conversations.

Mr. WILLIAMS. I was a party to the telephone conversation, Senator. You weren't.

Senator KENNEDY. I heard you repeat the conversation, Mr. Williams, just now.

Mr. WILLIAMS. Your brother asked me in the frame of reference of Schmidt's resignation which had taken place that day or the day before or maybe 3 or 4 days before, whether he had been promised anything for resigning or whether or not I had been a party to any conversation looking toward his being paid anything for resigning and I said no, and I hadn't, and I repeat it.

Mr. KENNEDY. The record is clear.

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. I wonder how we are coming along with Mr. Ungar. Is he getting close?

Mr. KENNEDY. He is here.

Senator MUNDT. Mr. Chairman, so that we can have the whole record—

The CHAIRMAN. Just a moment now. Have you concluded as of now, Mr. Williams?

Mr. WILLIAMS. I think so.

The CHAIRMAN. Are there any other questions of this witness?

Mr. WILLIAMS. I would like to ask, Mr. Chairman, if you will call Mr. Ungar now to the stand, because I would like to have my reputation on this matter either vindicated or destroyed this afternoon, so that we can lay at rest what I say is apparently falsehood about that conversation on Thursday. I say to you I have had no conversation with Mr. Ungar whatsoever.

The CHAIRMAN. Just one moment. The Chair has been trying to accommodate you. If you refer to the Chair we will try to move this thing along. I promptly sent for Mr. Ungar when you requested it. I am advised he is here and I intend to have him as the next witness.

You were making a summary request a moment ago, and I thought you wanted an answer with respect to whether you might want to make a further statement after reviewing your records. Do you not?

Mr. WILLIAMS. Yes, sir.

The CHAIRMAN. The Chair wanted to say to you that as far as I know the committee will hear any further statement that you may have after reviewing your evidence and the record if you find there is something else that you think you should submit.

So far as I know there will be no objection to receiving it. If you will let the Chair know, we will try to arrange it for you.

Mr. WILLIAMS. Thank you.

Senator MUNDT. Mr. Chairman, because of the relevancy, it has been referred to so many times, I think we should put in the record at this point the letter of resignation that Godfrey Schmidt submitted to Dickinson Letts and the letter of transmittal or reply that Schmidt wrote to Judge Letts at that time.

The CHAIRMAN. I do not know what you have there. It may be a correct copy or it may not.

Senator MUNDT. It is the one that Senator Goldwater put in the Congressional Record.

The CHAIRMAN. For the record, I think we ought to get a correct copy, to be sure it is correct. Sometimes in these transmissions there might be some word in error. The Chair will direct the staff to procure a copy of the letter of resignation and it will not be printed in the record but be made an exhibit to the record, as these other letters have been.

All right, if there is nothing further, thank you, Mr. Williams.

Mr. Ungar, come around, please.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. UNGAR. I do.

TESTIMONY OF HAROLD UNGAR

The CHAIRMAN. State your name, your place of residence and your business or occupation, please.

Mr. UNGAR. My name is Harold Ungar, 4545 Connecticut Avenue. I am an attorney at 1108 16th Street.

The CHAIRMAN. How long have you been a practicing attorney here, Mr. Ungar?

Mr. UNGAR. Since the end of 1939. Most of my service having been for the Government since then.

The CHAIRMAN. Most what?

Mr. UNGAR. Most of my service as an attorney having been for the Government until not too long ago.

The CHAIRMAN. What official capacity did you hold?

Mr. UNGAR. I was a trial attorney in the Department of Justice.

The CHAIRMAN. When did you cease to be a Government employee or official of the Government?

Mr. UNGAR. I ceased working for the Department of Justice in 1953. Since then for 2 or 2½ years, I have worked as a law clerk for a judge on the court of appeals. In between those jobs I practiced and I am now practicing.

The CHAIRMAN. You were called by a member of the staff this afternoon and asked to come.

Mr. UNGAR. Yes, sir, Mr. Salinger called me.

The CHAIRMAN. Subsequent to your arrival you have been served with a subpoena?

Mr. UNGAR. Yes, sir.

The CHAIRMAN. You are now testifying under a subpoena?

Mr. UNGAR. Yes, sir.

The CHAIRMAN. May I inquire first, before we proceed, do you represent the Teamsters Union or any of its units, locals, or any subordinate unit of the international?

Mr. UNGAR. Yes, sir. Since about the beginning of the year I have been working on the various facets of the appeal.

The CHAIRMAN. You are one of the attorneys of record in the proceedings?

Mr. UNGAR. No. I am not of record in the proceedings, but I was retained by counsel in the case to work on the briefs.

The CHAIRMAN. By whom?

Mr. UNGAR. By Mr. Thatcher.

The CHAIRMAN. Who?

Mr. UNGAR. Mr. Thatcher initially, and then I have been dealing with all of the lawyers in this case. It is a little difficult to say whom I report to or discuss things with. It is all of them.

The CHAIRMAN. Then you are employed and retained as an attorney in the proceedings that are now pending in Judge Letts' court and appeal terminating therefrom?

Mr. UNGAR. Yes, sir, except that I am not of record.

The CHAIRMAN. And you have been employed to work on it?

Mr. UNGAR. Yes.

The CHAIRMAN. The Teamsters Union, I would assume, you would say is your client?

Mr. UNGAR. Yes, sir.

The CHAIRMAN. And has since about the first of the year?

Mr. UNGAR. Since about the first of the year.

The CHAIRMAN. Now, there has been some testimony—and I will ask members of the committee and counsel to observe that I state the facts as they have been testified to—there has been testimony here before the committee regarding a luncheon engagement at which you were present, I believe, with Mr. Williams and Mr. Crum on Thursday of last week.

Do you recall having had lunch with these gentlemen last week?

Mr. UNGAR. Yes, sir, I do. I am not certain it was Thursday, but I imagine it must have been.

The CHAIRMAN. You had lunch with them only on one day?

Mr. UNGAR. Yes, sir, only one day.

The CHAIRMAN. So whatever day it was I assume it is the time under discussion.

Mr. UNGAR. That is right.

The CHAIRMAN. Where did you have lunch?

Mr. UNGAR. I believe it was at Duke's.

The CHAIRMAN. Duke's?

Mr. UNGAR. Duke's restaurant.

The CHAIRMAN. Who else was present at lunch?

Mr. UNGAR. Mr. Williams, Mr. Crum, and I.

The CHAIRMAN. Just the three of you?

Mr. UNGAR. Just the three of us.

The CHAIRMAN. In the course of having lunch together what subject matters did you discuss, particularly relating to the Teamsters Union and the monitorship issues and problems that were involved in the case pending in Judge Letts' court?

Mr. UNGAR. I haven't a very clear recollection that there was any systematic discussion of any of the problems.

The CHAIRMAN. I beg your pardon?

Mr. UNGAR. I say I have no specific recollection that there was any special discussion of any of the problems. A number of things were referred to. Mostly we exchanged anecdotes.

The CHAIRMAN. Well, leave those out of the record. They are not important right now. Go ahead. I will give you the opportunity to state in your own words, first, any discussion you had, and any conversation between the three of you or the two of you while you were there with respect to any matter pending in Judge Letts' court, any matter involving the monitors or involving any other issue that may be in the case known as the case of *Cunningham v. English* and offsprings therefrom. You go ahead. You are on your own. Let us hear your statement.

Mr. UNGAR. I recall that Mr. Crum said, I suppose facetiously, that Mr. Schmidt was down to using candles for illumination, the lights having been turned out, and needed some money.

The CHAIRMAN. What was that?

Mr. UNGAR. He said that Mr. Schmidt was down to using candles for illumination, that the lights had been turned off, he needed money badly. I take it that was facetious.

The CHAIRMAN. I don't know.

Mr. UNGAR. Well, I don't know either.

The CHAIRMAN. He testified to it affirmatively and seriously here today.

Mr. UNGAR. Well, that surprises me.

The CHAIRMAN. Just go ahead in your own way to tell what happened.

Mr. UNGAR. There was some mention of the money coming to Mr. Schmidt as a monitor, and if I remember correctly, Mr. Crum said that it would be awfully nice if Mr. Schmidt could be paid his monitor fees, the other matter being held up in court. And Mr. Williams said that he assumed his fees as a monitor would be paid.

The CHAIRMAN. What else?

Mr. UNGAR. A good part of the discussion that I had with Mr. Crum was about Harry Bridges. I asked him about a story that I had heard that Harry Bridges was a devout Catholic and went to mass every morning, and he told me a few stories about Harry Bridges. I can't recall any other conversation about the Teamster case.

The CHAIRMAN. I really don't care about the stories, the jokes, and so forth. Get down to what was said and what were the serious matters, if any, discussed, relating to this case of *Cunningham v. English*, and matters growing out of it.

Mr. UNGAR. Mr. Chairman, I think I have exhausted my recollection about the matter. If anything happened that I could be re-

minded of, perhaps I could recall. But so far as I remember now, that was the only matter that was talked about in the Teamster case.

The CHAIRMAN. Did you anticipate at that time that you would probably be a witness before this committee today?

Mr. UNGAR. No, sir.

The CHAIRMAN. Was anything said about it?

Mr. UNGAR. No, sir.

The CHAIRMAN. Was anything said about anyone being a witness here today or at any time before this committee?

Mr. UNGAR. No, sir.

The CHAIRMAN. Was anything said about Mr. Crum, the possibility of Mr. Crum being a witness before this committee?

Mr. UNGAR. Nothing was said that I can remember. I had some private notions that he might be, but I think I may have picked that up from the newspapers.

The CHAIRMAN. You had what?

Mr. UNGAR. I said I had some notions that he might be, but I might have picked those up from the newspapers.

The CHAIRMAN. Do you mean you were there at that time that these notions were present in your mind?

Mr. UNGAR. No, not then; afterward.

The CHAIRMAN. When you read some newspaper since last Thursday that indicated he might be a witness?

Mr. UNGAR. Something suggested it to me. It must have been a newspaper story that he might be.

The CHAIRMAN. Do you know of any newspaper story indicating that he would be a witness at these hearings?

Mr. UNGAR. Mr. Chairman, as nearly as I can remember, what I must have read is something about the alleged relationship between the Teamsters Union and Harry Bridges, and since I knew that Bartley Crum was reputed to be a longtime acquaintance or friend of Harry Bridges, and Bartley Crum was in town, I assumed that he may have been in town for that reason.

(At this point Senator Mundt entered the hearing room.)

The CHAIRMAN. Are you assuming that he was here to get in contact with Bridges?

Mr. UNGAR. No; I was assuming that he may have been here to talk to somebody on the committee.

The CHAIRMAN. Why were you having lunch with him?

Mr. UNGAR. I was having lunch with him simply because Mr. Williams asked me to come and have lunch with him. I wanted to meet the man.

The CHAIRMAN. Was anything said about who would be a witness or might be a witness before this committee in the course of that conversation?

Mr. UNGAR. No, sir.

The CHAIRMAN. No one was mentioned as a potential witness?

Mr. UNGAR. Not so far as I can remember.

The CHAIRMAN. Was the committee discussed in any way?

Mr. UNGAR. It may well have been, but I don't remember.

The CHAIRMAN. Well, I can remember it may have been.

Mr. UNGAR. Senator it is almost impossible to have a conversation in Washington these days without this committee being mentioned. I assume it was mentioned. I have no recollection of it.

The CHAIRMAN. I am a little bit suspicious that it may have been. I am wondering if with the mention of it there was something said about any testimony before it or someone appearing as a witness before it.

Mr. UNGAR. I have no recollection of any conversation of anybody being called by the committee or any testimony forthcoming or past before the committee.

The CHAIRMAN. Was there discussion about paying this legal fee claimed by Mr. Schmidt, which had been allowed by Judge Letts? I think it was about \$100,000 or \$110,000. Was there any discussion of that at the time?

Mr. UNGAR. My recollection of that, as I said before, is that Mr. Crum mentioned it, and I think it was Mr. Crum that said that the fee was, of course, tied up, but he hoped that his monitor's payment would be paid without delay.

The CHAIRMAN. Was that mentioned in connection with the candle conversation?

Mr. UNGAR. The what conservation?

The CHAIRMAN. The candles. About Mr. Schmidt being down to candles, with the lights being turned off.

Mr. UNGAR. Candles? Yes.

The CHAIRMAN. You said candles. That was your description of it.

Mr. UNGAR. Yes.

The CHAIRMAN. Was it mentioned in connection with that?

Mr. UNGAR. Yes, sir.

The CHAIRMAN. That Mr. Schmidt needed his money badly?

Mr. UNGAR. Yes.

The CHAIRMAN. What was said about the prospects of his getting it?

Mr. UNGAR. As far as I remember, Mr. Williams said that he assumed what was coming to him as a monitor would be paid.

The CHAIRMAN. How soon?

Mr. UNGAR. Nothing was said as to that.

The CHAIRMAN. Nothing was said about it?

Mr. UNGAR. Nothing that I remember.

The CHAIRMAN. What was the real purpose—I don't know who initiated or arranged it. I think Mr. Williams said possibly Mr. Crum initiated the luncheon, having lunch together. You were invited by Mr. Williams, as I understand it, and Mr. Williams just testified that Mr. Crum called his office and initiated the appointment, the luncheon engagement.

What was the purpose of it, from the conversation you heard? What was the reason for the getting of the three of you together to talk?

Mr. UNGAR. I have no idea what Mr. Crum's purpose was. I was in Mr. Williams' office. The telephone rang. Mr. Williams spoke to somebody on the telephone and then he said, "That was Bartley Crum. I am having lunch with him. Would you like to come along and meet him?" I said, "I would like to come very much."

There was chitchat at lunch, and I can't determine from the chitchat what the objective was in having lunch other than to eat.

The CHAIRMAN. In other words, from your observation there, there was nothing serious discussed, nothing of any consequence, any serious conference held about anything. It was just chitchat and lunch?

Mr. UNGAR. Precisely.

The CHAIRMAN. Well, we have that in the record straight.

Gentlemen, does any member of the committee have any question?

Mr. KENNEDY. Do you want to ask him specifics?

The CHAIRMAN. Frame the specific question, Mr. Counsel.

Proceed. Ask the specific question, bringing out the testimony given by the two witnesses so that this witness can state his position. Give his testimony, on the question.

Mr. KENNEDY. Was there any discussion at the luncheon that Mr. Bartley Crum, if he did not appear as a witness before the committee and testify before the committee, that Mr. Godfrey Schmidt would be paid his fees?

Mr. UNGAR. No, sir, none that I heard, and I think I heard everything.

Mr. KENNEDY. There was no discussion along those lines whatsoever?

Mr. UNGAR. No.

Mr. KENNEDY. In fact, there was no discussion that Mr. Bartley Crum was going to appear as a witness?

Mr. UNGAR. I can't recall that there was.

Mr. KENNEDY. That you cannot make definite. But you can make definite the fact that there was no discussion that if Bartley Crum did not appear as a witness, that the fees of Godfrey Schmidt would be paid?

Mr. UNGAR. That is right.

Mr. KENNEDY. That was not discussed?

Mr. UNGAR. That is right.

Senator ERVIN. Mr. Chairman—

The CHAIRMAN. Senator Ervin?

Senator ERVIN. I would like to ask you if this was said in your presence at that luncheon, that Mr. Williams told Mr. Crum that if he, Mr. Crum, did not appear before this committee as a witness, that he, Mr. Williams, would see that—rather, that if he, Mr. Crum, did not appear as a witness before this committee, that the legal fee claimed by Godfrey Schmidt would be paid on the following day, namely, on Friday of that week?

Mr. UNGAR. Certainly not. It would have been ridiculous for him to have made such a statement. Had he made it, I certainly would have remembered it.

Senator ERVIN. Did you go to the meeting with Mr. Williams?

Mr. UNGAR. I went to lunch with Mr. Williams.

Senator ERVIN. How did you and Mr. Williams travel to the luncheon engagement?

Mr. UNGAR. We walked over to the Mayflower hotel, I believe, where Mr. Crum was, met him in the lobby and then decided that he would eat at Duke's instead.

Senator ERVIN. Did you leave with anyone?

Mr. UNGAR. No; just Mr. Williams and I.

Senator ERVIN. You went with Mr. Williams and left with Mr. Williams?

Mr. UNGAR. That is right.

Senator ERVIN. Was there any separation between you at any time?

Mr. UNGAR. The three of us walked out together, walked part way along, and then Mr. Crum went off in one direction, and Mr. Williams and I in another.

Senator ERVIN. You came away with the impression that the luncheon engagement was a purely social affair?

Mr. UNGAR. Exactly.

Senator ERVIN. The only reason you went there was for companionship and victuals?

Mr. UNGAR. Yes, sir.

The CHAIRMAN. Are there any other questions?

Mr. KENNEDY. Have you talked with anybody in connection with what you might testify on here?

Mr. UNGAR. I just talked to Mr. Ray Bergan out in the hall.

Mr. KENNEDY. Who is Ray Bergan?

Mr. UNGAR. He is an associate of Mr. Williams.

Mr. KENNEDY. Was that in connection with what you might be asked here?

Mr. UNGAR. Yes, sir. I asked him what it was all about, because all I had gotten was a call to come down.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Thank you very much. You may stand aside.

Mr. Crum, have you got anything to say?

TESTIMONY OF BARTLEY C. CRUM—Resumed

Mr. CRUM. No, sir, except to repeat what I have heretofore said to the committee.

The CHAIRMAN. You have heard the testimony and you reassert your previously sworn statement?

Mr. CRUM. Yes, I do. That is true.

The CHAIRMAN. Are there any questions?

If not, stand aside.

The only thing the Chair can do is to make the observation that someone is certainly varying from the truth, and it comes from forces or people who are members of the bar, people who are officers of the court. Such conduct certainly should not be tolerated, and it should not be unattended to insofar as the truth can be ascertained and the innocent protected and the guilty exposed.

I do think that this record should go immediately, a copy of it to Judge Letts, a copy of it to the monitors, and a copy of it to the Department of Justice. With the approval of the members of the committee, the Chair so orders and directs.

Is there objection? That will be the order of the Chair.

Senator CAPEHART. Could I ask Mr. Crum a question?

The CHAIRMAN. Yes, you may. Senator Capehart?

Senator CAPEHART. Mr. Crum, are you well acquainted with Harry Bridges?

Mr. CRUM. Yes, very well.

Senator CAPEHART. How long have you known him?

Mr. CRUM. I have known him since 1934, I believe, Senator.

Senator CAPEHART. Have you represented him as a lawyer?

Mr. CRUM. No, sir; I have not.

Senator CAPEHART. Under what circumstances have you known him?

Mr. CRUM. I have known him as a representative of business in collective bargaining arrangements with Mr. Bridges.

Senator CAPEHART. In other words, you have been an attorney for employers.

Mr. CRUM. Yes, sir; the Shipowners Association in San Francisco?

Senator CAPEHART. Have you practiced law all your life in New York?

Mr. CRUM. Until the last 10 years, when I lived in New York.

Senator CAPEHART. You were originally in San Francisco?

Mr. CRUM. Yes, sir; I was.

Senator CAPEHART. And you have known Harry Bridges since 1934?

Mr. CRUM. Yes, I have known him very well.

Senator CAPEHART. Now you are practicing law in New York City?

Mr. CRUM. Yes, sir.

Senator ERVIN. You said Mr. Goldblatt came to your home; was that in New York?

Mr. CRUM. Yes, at 165 East 80th Street, New York.

Senator CAPEHART. How long have you known Mr. Goldblatt?

Mr. CRUM. I believe about the same time as I have known Mr. Bridges. He was originally, I think, business agent of the Warehousemen's Union.

Senator CAPEHART. Do you have any reason to believe that Bridges or Goldblatt did contact Mr. Williams or Mr. Hoffa?

Mr. CRUM. I don't know about Mr. Bridges contacting Mr. Williams. I am certain that both Mr. Bridges and Mr. Goldblatt were in constant communication with Mr. Hoffa.

Senator CAPEHART. But you knew both Goldblatt and Bridges quite intimately as a result of your legal contacts with them?

Mr. CRUM. Yes; I did, and do.

The CHAIRMAN. Is Mr. Godfrey Schmidt present?

Mr. SCHMIDT. Right here.

The CHAIRMAN. Do you wish to testify? You have heard this testimony. The Chair just felt that it would be proper to give you an opportunity if there is anything you wish to state under oath.

Mr. SCHMIDT. I did want to make a comment or two on some of the misrepresentations that were made, in my opinion.

The CHAIRMAN. Just a moment. If you want to testify, this is the way to do it:

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SCHMIDT. I do.

TESTIMONY OF GODFREY P. SCHMIDT

The CHAIRMAN. Mr. Schmidt, you have been present and heard this testimony regarding a subject matter in which you are interested, and that is the collection of your attorney fees and also your fees as

a monitor, and have you heard all of the testimony that has been given here of Mr. Crum and Mr. Williams today, and of Mr. Ungar?

Mr. SCHMIDT. Yes; I have, Senator.

The CHAIRMAN. All right. The Chair will give you an opportunity to make a brief statement. I don't want it too long. I want to give you an opportunity, but I want to move along if I can.

Mr. SCHMIDT. In the first place, I want to say that everything that Mr. Crum said here under oath he had previously told me either orally or in letter form.

Mr. KENNEDY. Is that contemporaneous with these events?

Mr. SCHMIDT. Yes; it was contemporaneous with these event. I immediately told Martin O'Donoghue about it, the chairman of the board. I immediately told one of the agents of the FBI about it. As soon as I could get together my plaintiffs, I told them about it.

Mr. KENNEDY. So informing all these individuals started last year; is that correct?

Mr. SCHMIDT. That is right.

Mr. KENNEDY. It has not been something that has been going on the last couple of weeks?

Mr. SCHMIDT. No; it started with the Labrutto-Feinstein matter, went on to be the Feldschuh matter, and went on to a third matter that was not referred to here, a McAllister matter, which was another approach for a bribe.

The CHAIRMAN. Let us settle this one first.

Mr. SCHMIDT. I would like to make some comments, Mr. Chairman.

The CHAIRMAN. With reference to the testimony here today?

Mr. SCHMIDT. In the first place, I would like it understood that it was a deliberate misrepresentation to say that I publicized any statement that I was working for the public good without any expectation of remuneration, because the very complaint that I filed on the 19th of September said in so many words that I was asking the court to fix my fee in the event that the court granted me the victory in the case. So that there was never any misrepresentation to the public or anyone else about that matter. I did say that I would never charge my 13 clients anything, and I have kept my word.

The second thing is that the whole matter of reporting to Mr. Christy and the beginning of Mr. Williams' familiarity with these approaches made indirectly to me did not come with the article from Bob Bedolis in the Herald Tribune. Actually it came from telephone conversations from myself and my attorney which I made directly to Mr. Williams, and the last conversation I had in July, before we went to see Judge Letts, was the conversation about the McAllister matter.

When he heard that, he said he thought we should go to the judge, just as Mr. O'Donoghue has said, and we went to the judge the following Monday. He said that I had filed fees, not fees but expenses totaling \$90,000. I did no such thing; and his figure is a little different from what it was in his own affidavit or statement of September 29, because in that statement he said it was around \$60,000, and that was for the records of the court. They have to verify that I filed expense items totaling about \$9,000, and they were cut to about \$6,000, and they were cut because I had printed a large number of documents such as the consent order, and the judge thought that the Teamsters should not be required to pay for that printing bill, and in addition

there was a \$2,000 item for my accountant which the judge thought I should pay.

That is the reason for the cutting, and it was not a question of a bill that was magnified to the tune of \$90,000.

The monitor's fee, he said, he believed was \$25 an hour. We had a meeting of the monitors at which he was present, and it was agreed that we were to receive \$25 an hour, and they paid the first half year's money fees at that rate for me, and all expenses, and they did not challenge it except temporarily. They paid it, and I filed the second half for the last half of 1958 on the same basis, and it came to about \$28,000 rather than \$25,000, and they have been holding that up.

Senator GOLDWATER. Who agreed to that; the judge?

Mr. SCHMIDT. No; the monitors, and Mr. Williams on behalf of the international.

Senator GOLDWATER. They agreed to \$25 a day?

Mr. SCHMIDT. Yes, indeed—\$25 an hour.

Senator GOLDWATER. Pardon me. I did not know we were talking about lawyers.

Mr. SCHMIDT. Then the so-called petition of the 29th of September was a petition signed by Mr. Williams and Mr. Bergan, his associate, alleging seven—I mean eight—different charges, and at the trial that began on November 5 of last year they withdrew seven of the eight charges and pressed only the one on conflict of interest. They asked for my disqualification. The court of first instance, that is to say, Judge Letts, refused to disqualify me, and even refused to hold that there was a conflict of interest.

The court of appeals in two matters refused to disqualify me but referred the matter back to Judge Letts. There was never at any time any question presented to me by counsel on either side, that is to say, my own counsel or the international counsel, asking me to put in no appearance in the alleged conflict of interest matter.

From the very start of the monitorship, I and the union monitor, Mr. Wells, disclosed to the chairman that we were attorneys with an active practice. It is quite impossible to be in the active practice of the law without running into representation that in one way or another involves the Teamsters as a sprawling organization that hits every articulation in our economic system. I said that right from the beginning. The union monitor was there. I said, "I cannot afford to give up my practice for the monitorship." I said that same thing in court before Judge Letts, and I said, in addition, that the whole question of conflict of interest had to be appraised, it seemed to me, in a reasonable fashion, because I could not claim and did not claim as plaintiffs' monitor that I was an impartial person. After all, I was attorney for the plaintiffs who had commenced this action.

I also pointed out that I was representing some employers in dealings with local unions that were not subject to the court's jurisdiction, and I felt with them in matters that were outside the purview of the consent order, and for that reason I felt that there was no conflict of interest.

The CHAIRMAN. That has been settled. You have now resigned?

Mr. SCHMIDT. Yes, sir.

The CHAIRMAN. It is a moot question now, except as it is to be taken into account with respect to your fee.

Mr. SCHMIDT. Mr. Chairman, may I interrupt a minute? Will you give me an opportunity to do what you gave Mr. Williams an opportunity to do?

There are certain misstatements in this record. I can save your time by submitting an affidavit on each of these points that I have listed here.

The CHAIRMAN. You may submit an affidavit, and the committee reserves the right to accept it and place it in the record or reject it. You may have the right to submit it.

Mr. SCHMIDT. Then I don't have to go into these details.

The CHAIRMAN. The only reason I make the reservation is you appreciate it may be accepted; but if you get into extraneous matters and get out of line somewhere, it may not be accepted.

Mr. SCHMIDT. I address it only to the testimony given by Mr. Williams.

The CHAIRMAN. Are there any questions?

Senator ERVIN. Wasn't one of the monitors recommended by the plaintiffs, one by the union, and then one selected by the judge?

Mr. SCHMIDT. That is right.

Senator ERVIN. In other words, one of them represents the thought and sentiments of the public.

Mr. SCHMIDT. That is correct; the chairman.

The CHAIRMAN. Senator Capehart.

Senator CAPEHART. Mr. Schmidt, I hand you a letter here dated September 21, 1957, and ask you if you have ever received such a letter.

Mr. KENNEDY. May the chairman see it?

The CHAIRMAN. The Chair presents to you a photostatic copy of a letter dated September 21, 1957, apparently from James T. Luken, president of Milk and Ice Cream Drivers and Dairy Employees. I don't believe it gives the name of the local.

Anyway, you can examine it and state if you identify the document.

(The document was handed to the witness.)

Mr. SCHMIDT. This does not show a signature, but it looks to me to be a copy, a photostatic copy of a letter that I did receive around that time from James T. Luken, and it was also the subject matter of a petition filed in the district court before Judge Letts. It was fully gone into in the record before Judge Letts.

Senator CAPEHART. Will you read the first paragraph?

Mr. SCHMIDT. Yes.

The CHAIRMAN. The letter may be made exhibit No. 87, and now excerpts may be read or comments made on it.

(Letter referred to was marked "Exhibit No. 87" for reference and may be found in the files of the select committee.)

Mr. SCHMIDT (reading):

Apparently we have decided not to bring a parallel action as it appears that your action is broader than we contemplated or can officially be associated; however, as we contemplated something of this sort, our members authorized funds for that purpose. Our members authorized unlimited funds to maintain our local autonomy and we feel your suit will help this purpose. We are therefore enclosing a check for \$1,000 to cover expenses. If your prayer is finally answered to the extent that the international pays the expenses, we will be

glad at the time to accept our money back. In the meantime, it may be used to further the activities of the rank-and-file committee or the lawsuit, at your discretion.

Senator CAPEHART. Did you receive the \$1,000 check?

Mr. SCHMIDT. Yes, sir.

Senator CAPEHART. What was the purpose that you understood the \$1,000 check to be for?

Mr. SCHMIDT. When I read that letter, the purpose seemed to me to be a gift, and it was a gift to me to expend in expense for the litigation. But when Mr. Luken came to my office, he asked me to perform certain legal services. I told him that I could not perform them without a fee because I was engaged in a matter that was absorbing most of my attention and I could not subtract my attention from that matter and I was referring to the action of Cunningham-English.

Senator CAPEHART. Did he send you a second check for \$1,000?

Mr. SCHMIDT. No, he did not. He asked me to consider that check as my fee.

Senator CAPEHART. And you did cash that check?

Mr. SCHMIDT. Yes, sir; I did.

Senator CAPEHART. When you are paid this \$105,000 by the court, will you refund the \$1,000 to this gentleman?

Mr. SCHMIDT. No; in view of his later conversation, under the view that he first expressed, I would have, but in lieu of the fact that he asked me to render certain legal services and I told him I could not do it without fee, he asked me to consider that to be the fee.

Senator CAPEHART. But you understood the check was originally received to—

Mr. SCHMIDT. The check was originally received as an expense item by me, and it was under express oral instructions from him not to make any part of that available to the rank and file committee.

Senator CAPEHART. Who is Mr. Luken that sent you that check?

Mr. SCHMIDT. He is an official of that local named.

Mr. KENNEDY. Head of the Cincinnati joint council?

Mr. SCHMIDT. That is right.

Mr. KENNEDY. And head of the local.

Senator CAPEHART. He later, did he not, make an affidavit that the check, notwithstanding the letter that he sent you, which you just read the first paragraph of, he made an affidavit which I hold in my hand in which he said as follows:

During the month of September 1957, I consulted Godfrey Schmidt as attorney on several occasions. On a number of occasions the conversation was by long-distance telephone. On two occasions I visited his office and spoke to him at length about the problem on which I sought Mr. Schmidt's advice on legal action which I was contemplating at that time, but which as a result of Mr. Schmidt's advice I never did institute.

The nature of the contemplated action I regard as a confidential communication between attorney and client and I so told Mr. Schmidt at the time. I have come to Mr. Schmidt because I learned of his successful conduct of the case of Martin Lacey against Louis LaGrondo in the U.S. District Court for the Southern District of New York.

At the conclusion of my talk with Mr. Schmidt on this subject I promised to send him a check for \$1,000 as fees for his counsel. Mr. Schmidt said he was going to use it for the expense of his office in the above entitled litigation. Subsequently he informed me, and I believe that he did so. In any case I eventually mailed him a check for \$1,000 which I had been authorized to disburse as counsel fees.

Why did Mr. Luken change his mind after he sent you this letter that you just read the first paragraph of?

Mr. SCHMIDT. Simply because I had told him that I was going to be unable to give him legal advice on any extended basis without charging a fee.

Senator CAPEHART. But the \$1,000 check that you received was a check, was it not, of the Milk Drivers Union?

Mr. SCHMIDT. Right.

Senator CAPEHART. In Cincinnati?

Mr. SCHMIDT. Right.

Senator CAPEHART. Yet Mr. Luken makes an affidavit here that it was a personal matter.

Mr. SCHMIDT. No, no, no, no. It was not a personal matter.

Senator CAPEHART. He said here:

The nature of the contemplated action I regard as a confidential communication between attorney and client and I so told Mr. Schmidt at the time.

Mr. SCHMIDT. That could be a confidential communication without being a private matter.

Senator CAPEHART. What service did you render for the \$1,000?

Mr. SCHMIDT. This is exactly the sort of thing that Mr. Luken didn't want me to disclose, and I think as an attorney I should regard, you know, his communication as confidential because he has never released that confidence, but it was a matter involving that union and the—what do you call it—joint council.

Senator CAPEHART. What did he mean there when he said that if you are paid by the international union, you will return the \$1,000?

Mr. SCHMIDT. What he originally meant was that he wanted me to consider that as a temporary help in the litigation of this matter, and that if I got court expenses and so on, I should refund it to him. But that arrangement was subsequently changed.

Incidentally, that matter was gone into thoroughly, too, and that affidavit was part of the proceeding that was tried beginning on June 26, 1958.

Senator CAPEHART. You don't think there is anything irregular about this gentleman, Luken, sending you a check for \$1,000?

Mr. SCHMIDT. I am sure there isn't.

Senator CAPEHART. That is, on the Milk Drivers Union, or matters that neither you nor he at this time can disclose?

Mr. SCHMIDT. No, sir; there is nothing irregular about it.

Senator CAPEHART. It is perfectly all right?

Mr. SCHMIDT. Yes, sir.

Senator CAPEHART. Would your conscience permit you to say under oath here that it had to do with union business?

Mr. SCHMIDT. Yes, sir; I did already say that, but I cannot, in loyalty to the client who requested that the nature of the advice and the contemplated litigation be undisclosed—I have to respect that confidence.

Mr. KENNEDY. This is something that the Teamsters have been trying to go into or going into with John Cunningham for a period of a year, isn't it?

Mr. SCHMIDT. That is right. And John Cunningham's petition on that was denied in all respects.

Mr. KENNEDY. It went through the courts.

Mr. SCHMIDT. Then when Mr. Williams interrogated me on that on the 28th, he got nowhere with it. Nobody can get anywhere with it.

Mr. KENNEDY. You say that Mr. Crum kept you advised. Did he keep you advised of his conversation with Mr. Williams?

Mr. SCHMIDT. Yes, he did.

Mr. KENNEDY. Did he tell you the conversation that he had at lunch with Mr. Williams?

Mr. SCHMIDT. Do you mean the one last Thursday?

Mr. KENNEDY. Yes.

Mr. SCHMIDT. Yes, he did.

Mr. KENNEDY. When did he tell you that?

Mr. SCHMIDT. He told me that, as I remember it, either the next day or that evening by telephone. I can't remember exactly.

Mr. KENNEDY. Either Thursday night or Friday?

Mr. SCHMIDT. That is right.

Mr. KENNEDY. And he related to you what he has related here to the committee?

Mr. SCHMIDT. Yes, he did.

Mr. KENNEDY. Where he has testified about your personal involvement, for instance, coming down here and meeting with some of these individuals, and knowing about it personally, Mr. Crum's testimony is accurate?

Mr. SCHMIDT. Exactly; and at no time did Mr. Feuer or Mr. Crum ever indicate to me that there was under consideration any proposition under which I would agree not to defend myself in the conflict-of-interest suit if they would pay me the full amount.

As a matter of fact, that proposition wouldn't necessarily work anyway because the judge would have an independent right to rule on the merits quite apart from whether I appeared or not.

Mr. KENNEDY. Did you feel what was being proposed was improper, Mr. Schmidt?

Mr. SCHMIDT. I always thought it was improper, because it seems to me that the very definition of a bribe is the offering or the accepting of anything of value to influence official conduct, and I can say that at no time was my official conduct influenced in any way by any of their various offers, even the last one which came through a Mr. Lynch, Arthur Lynch.

Mr. KENNEDY. But there was an attempt?

Mr. SCHMIDT. Yes, sir.

The CHAIRMAN. All right. Thank you. Stand aside.

Mr. SCHMIDT. In addition, Mr. Chairman, may I ask the opportunity to submit an affidavit that is being typed in my office in connection with a statement that was made before this committee on the 3d of February while I was in the Orient? It was a statement made by John Cunningham, and it is loaded with perjuries. I should like to at least have this committee consider it.

The CHAIRMAN. If it is a statement that reflected on you in any way, you may submit an affidavit refuting it or explaining it. If it is pertinent, the committee, I am sure, will accept it.

Mr. SCHMIDT. Thank you, sir.

The CHAIRMAN. All right.

We may have a rollcall vote in a minute. There has been an indication of that. But in the meantime, I am going to take a 5-minute

recess. We will undertake to resume after that. We will proceed and continue as long as we can.

We probably will take a little recess to get a hamburger about that time of day. But we will try to proceed until we all get tired. We will take a 5-minute recess.

(A short recess was taken at 5:08 p.m. with the following members of the select committee present: Senators McClellan, Mundt, Ervin, Capehart, and Goldwater.)

(The select committee resumed at 5:18 p.m. with the following members of the select committee present: Senators McClellan, Capehart, and Goldwater.)

The CHAIRMAN. The committee will come to order.

Come forward, Mr. Hoffa.

I am sorry, there is a rollcall vote. What you hear is the signal for a rollcall vote in the Senate. Therefore, we have to suspend further, until we can get back.

Do you want to come back at some other time or do you want to proceed for a while tonight?

Mr. WILLIAMS. We would like to proceed, Senator.

The CHAIRMAN. Apparently we are not going to be able to get through.

Mr. HOFFA. Senator, if I can get through at a reasonable time tomorrow, I will make two out of the three meetings I have scheduled, because I can get out of here by, say, 1 o'clock, and I can make the general membership meeting that is scheduled in Florida, where I anticipate talking about the committee and other things.

The CHAIRMAN. Let me ask you—I didn't understand you.

Mr. HOFFA. Where I anticipate discussing the committee and other things concerning the affairs in Washington.

The CHAIRMAN. I am perfectly willing for you to do that. That isn't even regarded as a threat.

Mr. HOFFA. It is not a threat. It is a statement.

Mr. KENNEDY. It is a promise.

Mr. HOFFA. You bet.

The CHAIRMAN. I don't care either way. But I have been trying to work you in where I could accommodate you some, because I wouldn't want to keep you from saying something about the committee if you had the opportunity and were so inclined.

Mr. HOFFA. Thank you.

The CHAIRMAN. I wouldn't want to prevent it. So I am trying to cooperate. We will go and vote and come back as quickly as we can and go for 1 hour, or would you rather come in at 9 o'clock in the morning?

Mr. HOFFA. We can get up as early as you want, Senator.

The CHAIRMAN. The committee will stand in recess until 9 o'clock in the morning.

(Members of the select committee present at time of recess: Senators McClellan, Capehart, and Goldwater.)

(Whereupon, at 5:20 p.m., the select committee recessed, to reconvene at 9 a.m., Tuesday, July 14, 1959.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, JULY 14, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES,
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 9 a.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in the caucus room of the Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota; Senator John F. Kennedy, Democrat, Massachusetts; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Frank Church, Democrat, Idaho; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Paul J. Tierney, assistant counsel; Arthur G. Kaplan, assistant counsel; Harold Ransstad, assistant counsel; Walter J. Sheridan, investigator; Pierre E. G. Salinger, investigator; Ruth Y. Watt, chief clerk.

PROCEEDINGS

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan, Goldwater, and Curtis.)

The CHAIRMAN. All right, Mr. Hoffa, come around, please.

TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL, EDWARD BENNETT WILLIAMS—Resumed

The CHAIRMAN. Mr. Hoffa, you were sworn on your previous appearance during this series, and it will not be necessary to administer the oath again. You will remain under the same oath.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Yesterday we had some testimony, which I believe you heard, in connection with the approach that was made to Mr. Crum regarding Mr. Godfrey Schmidt. Would you care to comment on that?

The CHAIRMAN. Let the record show that Mr. Williams appears as Mr. Hoffa's counsel.

Mr. HOFFA. I will comment to the extent that Bartley Crum, who testified yesterday, was apparently the lawyer for Harry Bridges, regardless of what he stated yesterday—and knowing Harry Bridges—

as he stated yesterday, also—since 1934, and apparently representing Schmidt, and having problems with the counsel of the Teamsters Union in regard to the excess fee that Schmidt was trying to collect; and also in regard to the question of the money that he had turned in for the monitor expense—Crum apparently shopped around knowing by the newspapers that we were in discussion with Bridges on certain aspects of union affairs, and he apparently contacted Bridges, and discussed the matter based upon his own testimony with Bridges.

Mr. KENNEDY. Who is that?

Mr. HOFFA. I am talking about Crum.

Mr. KENNEDY. Do you know that he contacted Bridges?

Mr. HOFFA. I listened to what he said yesterday.

Mr. KENNEDY. You don't know who contacted whom, then?

Mr. HOFFA. Yesterday Crum said that Bridges and Goldblatt went to his home. Normally, people don't go to an individual's home unless they are invited. So, apparently, Crum invited Bridges and Goldblatt.

This is an assumption on my part. But they must have discussed the question of the fee—not once, but apparently many times, according to Crum's testimony.

Mr. KENNEDY. That is right.

Mr. HOFFA. It is true I did talk to Goldblatt, and I did talk to Crum. Each time that I talked to him I told him that they would have to take the matter up with our counsel. I did not tell our counsel that I was discussing the matter with Goldblatt because I did not believe that I had any right to supersede my judgment for our attorney's judgment concerning this situation.

Insofar as the document that Crum talks about, that was read over the phone to myself by Goldblatt, and apparently Crum came on later; however I have no recollection of the call or of the conversation. They read a document and whoever had prepared it—and apparently Crum prepared it—reading it in the transcript last night. It seems like it is a legal document.

He had a copy in handwriting and if they did read it to me, I don't recall it. Even according to Crum's testimony I had referred them to our attorney, Edward Bennett Williams, because this was a legal problem and we refused to get into the question of trying to supersede our judgment for Williams'.

Now, how many times he talked to me about it, I don't know. It was immaterial to me. If they wanted to talk, we had other business with the Longshoremen's Union of the west coast, and during those conversations that we had, oftentimes Goldblatt would talk about the question of how we were coming in regard to the fee that Bartley Crum had an interest in, because apparently Bartley Crum's legal fee was contingent upon the fact that he was able to collect for Schmidt's fee.

We never arrived at any settlements and there was no reason to. It was in front of the court, being handled by our attorney, and from Crum's own testimony he talked to Williams many times concerning this issue. His senior partner also talked to Attorney Williams concerning this problem.

Now what there is of it—that was trying to be made here yesterday, I don't know. What I do know—looking at the record on Bartley

Crum, he has a very fluid background, to say the least, and his association with certain individuals who he would very likely go to visit brought about apparently the meeting between Bridges and Goldblatt and himself; and then the phone calls to myself trying to collect the fee for Schmidt so he could get paid his legal fees out of Schmidt's fee.

Mr. KENNEDY. What do you mean a "fluid background"? I didn't understand that.

Mr. HOFFA. Well, I noticed that he has been connected with many organizations that apparently were so-called Communist-front organizations, Communist-background organizations, and that he has represented many individuals who apparently have records dealing with the alleged question of communism.

Mr. KENNEDY. That is shocking.

Mr. HOFFA. It is huh?

Mr. KENNEDY. Yes.

Mr. HOFFA. You know it, and you must have it. It has been in many newspapers.

The CHAIRMAN. Go ahead.

Mr. HOFFA. That is all.

So I think it is a fluid background.

The CHAIRMAN. Now, do I understand you and your testimony to be in effect that in your opinion Harry Bridges, Goldblatt, and Crum, entered into some agreement or conspiracy in connection with this development?

Mr. HOFFA. I don't say a "conspiracy," Senator.

The CHAIRMAN. You think that Bridges is in on it and Goldblatt is in on it—that they are a part of what was referred to here yesterday as a "smear," and as this thing has developed, that they are back of this in some way, to embarrass you?

Mr. HOFFA. No, I do not believe that. I believe that out of their past relationship and because Crum, having recognized that we were sitting down with Bridges and properly figuring that Bridges would be willing to talk to us—or particularly, me—about this situation, I would imagine that he contacted his old friend Bridges and tried to work out a settlement. But we refused to do it, and it was always returned to our lawyer, since it was a legal question.

The CHAIRMAN. What would be Bridges' interest in your paying or settling this fee, one way or the other? I don't quite get it.

Mr. HOFFA. Probably friendship with Crum, because it is my understanding sir, that Crum cannot collect his fee unless he collects Schmidt's fee.

The CHAIRMAN. That could very well be true, and I can imagine he may be working on a contingent basis.

Mr. HOFFA. I believe so.

The CHAIRMAN. There will no doubt be something recovered ultimately, and it might be worked in that way. But it is your theory then that he appealed to Bridges and made contact with Bridges and Goldblatt to try to enlist their assistance in working out a settlement or in collecting the fee for Schmidt?

Mr. HOFFA. I believe so.

The CHAIRMAN. That is your theory of it.

Mr. HOFFA. In reading the record last night—if you read it; he had it scrambled up quite a bit, but it seems as though that is what I could get out of the record.

The CHAIRMAN. What was your interest in Goldblatt and Crum and Bridges working together in this matter? You said that they did contact you and you don't remember what was said. But what was your interest in it, Mr. Hoffa?

Mr. HOFFA. I didn't have any interest in it. We were discussing with Bridges and Goldblatt the question of a pact to coordinate between our unions the question of resolving the issues created out of automation and containerization. Recognizing that many jurisdictional disputes could very well take place out of the automation or mechanization of the waterfront, we were trying to head off another 1934 between the Teamsters and the ILA and the ILWU.

The CHAIRMAN. Would that have any relation at all? I don't get the relation between that and the claim of a lawyer which has once been approved by the court and is still in litigation. I can't get the connection with Bridges or Goldblatt getting involved in the matter of settlement of this fee.

This thing has presented a kind of a puzzle, and I am trying to follow the different leads in it to see where they go or where they lead us.

What can possibly be Bridges' interest or Goldblatt's interest? I am talking about getting them active, taking affirmative steps toward getting this matter of a fee for Mr. Schmidt adjusted. What would be the moving cause for them to do it?

Mr. HOFFA. I can only imagine past relationship.

The CHAIRMAN. You can only imagine some past relationship?

Mr. HOFFA. That is all I can imagine, sir.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. When Mr. Goldblatt contacted you, what would he tell you, Mr. Hoffa?

Mr. HOFFA. If I recall correctly, and I didn't keep any notes, the first time that Goldblatt talked to me about this situation was that Bartley Crum had contacted him as to whether or not we would pay the fee that was supposed to be paid to Schmidt so far as the \$210,000 was concerned. Later on the question of monitor pay was raised, and he told me that he had known Bartley Crum for many years, and that Bartley had asked him to talk to us about this question. Now, I referred him to our attorney.

(At this point Senators Mundt and Ervin entered the hearing room.)

Mr. KENNEDY. You had some further conversations with him about it, did you?

Mr. HOFFA. I told you, each time we talked about the question of our normal operation. Then there would become a question sometime during the discussion or at the beginning or end: Had we been able to work out our differences? Each time they were referred to our lawyer.

Mr. KENNEDY. And when you referred them to the lawyer, would you refer Mr. Goldblatt to your lawyer?

Mr. HOFFA. No.

Mr. KENNEDY. What would you say?

Mr. HOFFA. Goldblatt had nothing to do with Ed Williams. I simply told him to take it up with Ed Williams, our attorney.

Mr. KENNEDY. When you talked to Goldblatt, what did you tell him?

Mr. HOFFA. Just what I told you.

Mr. KENNEDY. To take it up with Ed Williams?

Mr. HOFFA. Not Goldblatt to take it up with Ed Williams. Crum to take it up with Ed Williams.

Mr. KENNEDY. What did you tell Goldblatt?

Mr. HOFFA. Just what I told you.

Mr. KENNEDY. I don't understand.

Mr. HOFFA. If you don't understand it, read it back. I don't want to get into the question of constantly repeating what I said. If I may respectfully request it of the chairman, if you will refer to the record, you will see what I told him.

Mr. WILLIAMS. Mr. Kennedy, Mr. Chairman, maybe I can help you. As I understand the witness' answer in response to your question, he said that each time Mr. Goldblatt called him he told Mr. Goldblatt to have Mr. Crum take this question of the fees, and of the monitors' fees, up with the lawyer for the Teamsters.

Mr. KENNEDY. That is what I didn't understand. I thought that his answer was, and that is what I wanted to get clarified, that he told Mr. Goldblatt to take it up with Mr. Williams.

Mr. HOFFA. I distinctly said different, Mr. Kennedy. That is why I wanted the record read. I distinctly said different than what you are now saying.

Mr. KENNEDY. Then we have it clarified. That is all I wanted.

The CHAIRMAN. Whom did you say to take it up with?

Mr. HOFFA. Mr. Crum to take it up with Mr. Williams.

The CHAIRMAN. All right.

Mr. KENNEDY. Now, did you have any meetings with Mr. Goldblatt in connection with this, Mr. Hoffa?

Mr. HOFFA. Not concerning this specifically. Concerning our problems between the west coast-east coast automation, containerization, and sometimes during those meetings we would discuss this question.

Mr. KENNEDY. In your discussions, the discussions that you had with Mr. Goldblatt—or Mr. Crum—was it discussed that, if these various fees were paid, Mr. Godfrey Schmidt would resign as a monitor?

Mr. HOFFA. Now, what happened was this, and we will clear that part of it up: Crum apparently wanted to become a monitor. Crum himself told me, in our meeting in the office, that he wanted to become a monitor, and did I think we could work together, and I told him whether he was monitor or anybody else we would take the same position we are taking now, that we have a constitution and we didn't propose to go outside of that constitution, and I didn't care who was the monitor, him or anybody else; it would be the same position.

(At this point Senator Kennedy entered the hearing room.)

The CHAIRMAN. As I understand you, Crum advised you that he wanted to be a monitor. In other words, he approached you on the idea of his becoming a monitor?

Mr. HOFFA. No. Crum, as stated here yesterday, by Crum, himself, had a meeting with Ed Williams. Out of that meeting with Crum and his senior partner, they finally came to the office of the Teamsters Building, apparently from Ed Williams' office here in Washington,

to discuss a question of settlement of the problem we had with Schmidt.

The CHAIRMAN. That is the fee matter?

Mr. HOFFA. Yes, sir.

Now, during that time, Schmidt—rather, Crum—told me in our building that he would like to become a monitor, what with his background of management, background of labor, knowledge of the labor movement, he could be of some assistance, and he did not believe that Schmidt, having the lack of background of unions, could compete or carry on what the original intent of the order was.

The CHAIRMAN. That is just what I asked you. Maybe you misunderstood me. According to your statement, Crum advised you or first mentioned the idea of being a monitor to you; he himself initiated the idea?

Mr. HOFFA. That is correct, sir.

The CHAIRMAN. That is what I was trying to clarify.

Mr. HOFFA. That is correct.

The CHAIRMAN. About when was that, Mr. Hoffa?

Mr. HOFFA. I think somebody said yesterday that meeting was in October, if I am not mistaken.

The CHAIRMAN. October of 1958?

Mr. HOFFA. Yes. I am quite sure that somebody said that yesterday, that it was October.

Mr. KENNEDY. I believe it was the end of October.

Mr. HOFFA. I think it was the end of October, somewhere around there.

The CHAIRMAN. But it was at that meeting, here in your offices in Washington, that he himself, you say, initiated the idea or threw out the suggestion about his suitability and availability for the position of monitor?

Mr. HOFFA. That he thought he could do the job that the court originally intended with his background and so forth.

The CHAIRMAN. Was there any suggestion there or implication in his initial approach to you about it that, if he became a monitor, he would try to cooperate with your interest in the performance of his duties?

Mr. HOFFA. Crum said—

The CHAIRMAN. In other words, was there any implication that it would be to your advantage to have him as a monitor so to speak?

Mr. HOFFA. To the best of my recollection, Crum's attitude and position was that he was flexible on the standpoint of unionism, and because he had associated himself with the union on the west coast and recognized as a lawyer, layman, union operations, that it wasn't a typewritten book that you run a union under, but rather, you met problems from day to day, and thought he could understand many of the complaints that came into our office, which the monitors have an opportunity of going over, to understand them better.

The CHAIRMAN. In other words, his views were flexible. He would be able to adapt his viewpoint, or on the basis of his experience he would be more capable of adapting his viewpoint to the realities and practicalities of the situation than would Mr. Schmidt, who was inexperienced from the standpoint of union background.

Mr. HOFFA. That was his position. That was his position and attitude in discussion.

The CHAIRMAN. All right. How did it proceed from there?

Mr. HOFFA. I never met Crum again after that.

Mr. KENNEDY. He hasn't answered my question yet that I asked 5 minutes ago.

The CHAIRMAN. Just a moment. Let me finish this.

Mr. HOFFA. I said I never met Crum after that. I may have talked to him on the phone. He said I did. I may have. I don't recall it. But then Goldblatt then constantly kept asking the question couldn't we sit down and work out the fee question of Schmidt.

The CHAIRMAN. That was then apparently a constant matter of concern or of interest in the course of your contacts and conferences and conversations, always this matter of the fee of Schmidt coming up?

Mr. HOFFA. This was the problem. And I kept referring it back to Attorney Williams.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. My question was whether you discussed, at these meetings or any time, with Mr. Goldblatt or Mr. Crum the fact that Godfrey Schmidt would resign as monitor and the fee would be paid.

Mr. HOFFA. I think they suggested it. I think Crum said yesterday they suggested it. Crum, himself, made the statement, and I think it is in the record yesterday if you read it, that he thought that Schmidt would be out, and that he would be monitor. I think if you look in there you will see it.

Mr. KENNEDY. So there was discussed the fact that——

Mr. HOFFA. No.

Mr. KENNEDY. What?

Mr. HOFFA. Not with me there wasn't any discussion. I never talked to Crum after the one meeting in my office. I never met Crum after that day, but he claims, and it may have been, that I talked to him on the telephone. Otherwise, I talked to Goldblatt.

Mr. KENNEDY. Now, Mr. Hoffa, Mr. Crum testified here before this committee that he called you on October 27, that first Mr. Goldblatt talked to you and then he got on the phone. At that time it was discussed that Mr. Godfrey Schmidt's fee would be paid and then as a quid pro quo he would resign and Bartley Crum would be made monitor.

Was that discussed or not?

Mr. HOFFA. If you will read his testimony yesterday, and I read it very carefully——

(The witness conferred with his counsel.)

Mr. KENNEDY. You will find it on page 1910.

Mr. HOFFA. Let me look for what I want.

Mr. KENNEDY. All right.

Mr. HOFFA. On 1971:

The CHAIRMAN. How long after that was it before you were approached by Goldblatt and Bridges?

Mr. CRUM. I would say, Senator, that it was some time in late July or early August of 1958.

So there had been discussion with Bridges, with Goldblatt, with Crum prior to the time that they came to my office in Washington here with Attorney Williams. Now, what they discussed between that

period of time and October is something either Crum or Goldblatt or Bridges will have to answer.

But when they came to the office in October, they did not bring any written documents that I saw, but apparently at some other date—now we will find the letter and see what he says about that. Have you got that marked?

Mr. KENNEDY. Mr. Hoffa, you are not listening to my question.

Mr. HOFFA. I am listening to it, but I want to answer it the way I want to.

Mr. KENNEDY. May I have the question read? We are not making any progress, Mr. Hoffa.

The CHAIRMAN. Just a moment. We will get to it.

Mr. HOFFA. Mr. Chairman, I think that the best answer to all of the questions that Mr. Kennedy is answering is Mr. Crum's own testimony yesterday; and if we could look in the book, we will prove what Mr. Kennedy is trying to get at.

The CHAIRMAN. Well, point it out.

Go ahead, Mr. Hoffa, and point out the part of the record that you have in mind.

Mr. HOFFA. I will find it in a moment, sir, if I may.

Mr. KENNEDY. It is on page 1937.

The CHAIRMAN. Let him see if he can find it.

Mr. HOFFA. I would like to read 1914, if I may, sir. I want to answer your question.

The CHAIRMAN. All right. The Chair is giving you that opportunity. Let him proceed and find in the record what he wants to quote.

Mr. HOFFA. On page 1913 Mr. Crum makes the following statement:

Mr. KENNEDY. Mr. Hoffa raised this question—wait.

Mr. CRUM. This whole agreement was gone over and approved by Mr. Hoffa at that time. Then after that Mr. Williams and Mr. Hoffa retired to another room for a conference, and they were subsequently joined by Mr. Gibbons and Mr. Cheyfitz.

Mr. KENNEDY. Did Mr. Hoffa raise the question at that time whether, in fact, even if this agreement was made, if, in fact, that would get rid of the court case that was then pending?

Mr. CRUM. Yes; he did. He said that Mr. Williams would have to get in touch with Mr. O'Donoghue on that point.

Mr. KENNEDY. Of course, that was the key matter, was it not?

Mr. CRUM. It was the key matter.

Mr. KENNEDY. To try to get that continued and then dismissed; and they felt that if they could get two monitors on there, then this would never have to be argued before Judge Letts.

Mr. CRUM. That is right.

Nowhere in his testimony did he produce in front of this committee any document that he talks about that we discussed that night, and there was no document that night. We did not discuss a document.

The CHAIRMAN. What time are you talking about now?

Mr. HOFFA. October, sir.

The CHAIRMAN. In October, when you were in conference in your office?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. There was no document there at that time?

Mr. HOFFA. No, sir. I never saw a document that night. He didn't produce one here.

The problem that I see here is that when you—if I may:

Mr. KENNEDY. As it was already before Judge Letts' court, it was a question of trying to get it continued and then trying to get it dismissed at a later time?

Mr. CRUM. That is correct.

Mr. KENNEDY. Mr. Hoffa raised this question, there was discussion outside of your hearing, in another room, and they came back in. What was said then?—

And this is important:

Mr. CRUM. At that time it was said that Mr. Williams would have to get in touch with Mr. O'Donoghue, and Mr. Williams stated that he was afraid of him, that he was afraid of Mr. Schmidt, because Mr. Schmidt was always whistling for the cops.

This was brought about in our office, and thereafter each time Crum talked to Goldblatt, apparently Goldblatt called me. Each time I referred him, as I did this very night, which is his testimony, that this was a court case, and had to be taken up with our lawyer and had to be settled with the court, not with Hoffa. This is what we have here. This is his testimony, sir.

The CHAIRMAN. All right. Is there anything further there that you want to cite?

Mr. HOFFA. I will have the lawyer find the particular section and then I can answer Mr. Kennedy's question in the meantime, if I may.

The CHAIRMAN. The question Mr. Kennedy asked, I believe—state it again, Mr. Kennedy.

Mr. KENNEDY. I would rather have it read.

The CHAIRMAN. Read the question.

(The question was read by the reporter.)

The CHAIRMAN. This is referring to the telephone conversation on October 27. Was it discussed at that time that Schmidt would resign and his fee would be paid and Crum might be appointed his successor? Was it discussed in any way in that telephone conversation?

Mr. HOFFA. It couldn't be discussed because if Crum, Hoffa, Goldblatt, Bridges was to agree, Senator, that Crum was going to be the monitor, we had no control over that situation.

The CHAIRMAN. You could work out arrangements whereby the plaintiffs' folks were to nominate him.

Mr. HOFFA. But we weren't talking to the plaintiffs. That is the problem, Senator.

The CHAIRMAN. You were talking to the attorney, were you not?

Mr. HOFFA. No, sir; he was not the attorney for the plaintiffs. Schmidt was the attorney.

The CHAIRMAN. At least Schmidt was the monitor at the time.

Mr. HOFFA. Right, sir.

The CHAIRMAN. And he subsequently resigned and recommended his associate.

Mr. HOFFA. Which was Larry Smith, his associate.

The CHAIRMAN. But at that time Crum was in the picture to be his successor if he resigned.

Mr. HOFFA. Schmidt didn't nominate Larry. I think we have to get this straight. Godfrey Schmidt could not nominate Larry Smith. The only people that could nominate Larry Smith were the 11 or 12 individual dissidents who brought this action, and apparently they did. But even if we had worked on an arrangement, which we did

not, with Crum, the 11 people ultimately would have been the ones who finally submitted the name to the judge to be the monitor.

We knew that. Everybody knew that. And it would be kind of ridiculous to assume that we could superimpose our ideas, if we had such, on the 11 people as to who would be their representative any more than they could tell us.

The CHAIRMAN. Mr. Hoffa, it may sound ridiculous, but that is the testimony here, that that was what was in the making, that the effort was being made to induce Schmidt to resign so that Crum could be appointed his successor.

You say it did not happen?

Mr. HOFFA. Whatever they talked about with Goldblatt and Bridges, I don't know.

The CHAIRMAN. Let me ask you this——

Mr. HOFFA. May I answer the question?

I never gained at any time in any conversation I had with Goldblatt that he was guaranteeing that anybody could be a monitor. Their primary interest each time they talked to me was getting a fee.

The CHAIRMAN. All right. On page 1903 of the transcript Mr. Crum testified:

Mr. CRUM. Mr. Goldblatt then placed a telephone call to Mr. Hoffa in Washington.

I believe that was placed at Mr. Crum's home.

Mr. KENNEDY. At Crum's home.

The CHAIRMAN. I believe that was placed at Mr. Crum's home.

Mr. CRUM. Mr. Goldblatt then placed a telephone call to Mr. Hoffa in Washington.

Mr. KENNEDY. What ensued after that?

Mr. CRUM. Mr. Hoffa was on the other end of the telephone. I talked with him. We read this document over and he said it met with his full approval, but that he had to take it up with Ed Williams.

The document he speaks of has been made exhibit No. 84, and I present it to you so that you may examine it before answering the question, because this is the document he says was read to you. You may examine it and I ask you the question, Is this testimony true? Did that occur? Did he talk to you on the telephone, No. 1? Did he read that document to you, No. 2?

Mr. HOFFA. I don't recall any conversation with Bartley Crum concerning this at all, but if I did then we would find that the statement over on 1903 would substantiate what I have been saying up until now:

Mr. Hoffa was on the other end of the telephone.

Now he is surmising that. I never talked to Crum.

The CHAIRMAN. Did you or not? You know. He said he did. He said he recognized your voice.

Mr. HOFFA. I don't believe he did.

The CHAIRMAN. I said:

Did you recognize Mr. Hoffa's voice?

Mr. CRUM. I did.

He swears he did. What do you swear? He may have sworn something false. I am asking you to say, did he talk to you?

Mr. HOFFA. I do not recall——

The CHAIRMAN. Now did he read that document to you?

Mr. HOFFA. Even if he did, sir, I would like to say that on 1903 Mr. Crum, himself, states that even if he did read the letter, as follows:

Mr. Hoffa was on the other end of the telephone. I talked with him. We read this document over and he said it met with his full approval, but that he had to take it up with Ed Williams.

Again recognizing that this was a case before the courts. Hoffa had nothing to do with it, couldn't settle it, but Attorney Williams was handling it from beginning to end.

The CHAIRMAN. Mr. Hoffa, I have never been the best lawyer by any means, but I have had a little practice. I know that the client can control the action of his attorney.

Mr. HOFFA. You don't know Ed Williams.

The CHAIRMAN. I know what a client can do legally, and he can fire an attorney if he wants to and he can control the action of his lawsuit.

Mr. HOFFA. You don't fire good attorneys just because you disagree with them.

The CHAIRMAN. The point is that you could, and I know it was within your power as a client. I am not saying that you did. No doubt you did; if he talked to you about it you would always refer him to take it up to Williams for the final conclusion. The point is, Did you have the conversation?

Mr. HOFFA. I do not recall any such conversation.

The CHAIRMAN. Did he read the document to you?

Mr. HOFFA. If I don't recall the conversation I don't know whether he did or not.

The CHAIRMAN. Did you tell him it was OK with you, but you would have to take it up with Ed Williams?

Mr. HOFFA. I don't remember the conversation, but if I did talk to him I would have said that.

The CHAIRMAN. OK. Now that is the crux of this thing, and you don't recall. This is his sworn testimony.

I am not saying the man told the truth. I don't know. I said yesterday somebody varied from the truth. Here is his positive sworn statement saying he recognized your voice, he talked to you about it, he read you that document. That is last October, and you say you don't recall.

Mr. HOFFA. Senator, do you think that a man whom you only met once in your life would be able to recognize your voice the next time he called you on the telephone?

The CHAIRMAN. I can't say I could or couldn't. Some people's voice I might. Some people might think they recognize mine. But do you deny you had the telephone conversation with him?

Mr. HOFFA. I do not recall any such telephone conversation because I don't keep records of telephone conversations.

The CHAIRMAN. He said he had it, and he said it was you and that he recognized your voice. Now you can deny it. You can leave the record that you don't know, you don't remember, you don't recall, but if you did, "I told him I would have to take it up with Ed Williams," leave it as you want.

Mr. HOFFA. Senator, I would like to point out that on page 1903 Crum makes another statement. Later on in the record he retracts, also. It says:

Mr. KENNEDY. Now, was there any question in Mr. Hoffa's mind when you had this conversation with him that this proposal had been made by Mr. Goldblatt rather than yourself?

Mr. CRUM. No.

Later on in this record Bartley Crum states under oath that I drafted the document.

Mr. KENNEDY. Who drafted it?

Mr. HOFFA. He said I did it.

Mr. KENNEDY. I don't remember that.

Mr. HOFFA. Read the record, it is here.

Mr. KENNEDY. Let us find it.

Mr. HOFFA. Do you want to take time to find it? We will find it. It is in this record. We will find it. It is scattered all around.

Mr. KENNEDY. I don't believe it is in there, Mr. Hoffa.

Mr. HOFFA. I believe it is. I will have the attorneys look for it in the meantime.

The CHAIRMAN. Let us proceed.

Mr. KENNEDY. Mr. Chairman, I might point out that Mr. Crum said, "I talked to him." It was not a question of hearing his voice.

The CHAIRMAN. I asked him the question if he recognized his voice.

Mr. KENNEDY. Mr. Hoffa, was it discussed subsequently that Mr. Schmidt would be paid his fee and that he would resign as monitor? Was that discussed at the meeting that occurred subsequently?

Mr. HOFFA. What meeting?

Mr. KENNEDY. The meeting that occurred—first, as I understand Mr. Crum's testimony, there was a meeting in Mr. Edward Bennett Williams' office.

Mr. HOFFA. I was not at that meeting.

Mr. KENNEDY. I understand that. Subsequently at 8 o'clock that night there was a meeting in the Teamsters headquarters. Did you attend that meeting?

Mr. HOFFA. I did.

Mr. KENNEDY. At that time was it discussed that Mr. Godfrey Schmidt would be paid his fee and then he would resign as monitor?

Mr. HOFFA. I do not recall any such discussion. As a matter of fact, it was a real roundabout discussion. I don't know how it started or where it ended, except the intent and purpose of the meeting as I listened to each conversation concerning this matter, he had one desire, and that was the question of collecting the fee and generally that is what we always wound up with.

Mr. KENNEDY. Was it discussed at that time, at the same meeting, that Godfrey Schmidt would resign and he would get his fee paid?

Mr. HOFFA. I do not recall any such discussion.

Mr. KENNEDY. You don't recall that?

Mr. HOFFA. I do not. There were several people there. I did not make any notes. I was in the middle of a very important negotiation of a contract.

Mr. KENNEDY. Would you say the conversation did not take place?

Mr. HOFFA. I would say I do not recall it and I would say that I made no notes of it because my impression of the whole meeting was—

and as you will note, nothing came out of the meeting—was the fact that Crum wanted to collect his money and I wasn't willing to agree to it. Neither was our attorney.

Mr. KENNEDY. You have read some testimony here of Mr. Crum that there should be some determination as to whether there could be a continuance of the case then before Judge Letts. Was there discussion of that?

Mr. HOFFA. Mr. Kennedy, any discussion concerning that would have been with our attorney and not with Hoffa.

Mr. KENNEDY. Was there discussion that evening?

Mr. HOFFA. I don't know if there was or not. I wasn't paying that much attention.

Mr. KENNEDY. That was the testimony before the committee.

Was there such a discussion?

Mr. HOFFA. I said, and I repeat, that I did not pay that much attention to it and I don't know if there was or not. If there was, it would have been discussed with Mr. Williams, who was our attorney.

Mr. KENNEDY. Do you deny there was such a conversation?

Mr. HOFFA. I don't deny.

Mr. KENNEDY. You don't remember?

Mr. HOFFA. Don't put any inflection in your voice that I don't remember, because there is no reason that I should remember. There is no reason that Mr. Crum should remember unless he went back and made some notes.

If he did, he ought to produce those notes and let us take a look at it. If he was any kind of honest attorney he would have sat down with our lawyer and reduced to writing what he wanted to reduce to writing so that there would not be any questions at this late date what I said, he said, or they said.

I am not in the habit of trying to remember about some attorney trying to get \$200,000 from me, except I was not going to pay him then, now, or any time.

Mr. KENNEDY. The next step, according to Mr. Crum's testimony, was: First, the meeting in Mr. Williams' office; second, the meeting in your office; third, the discussion of whether there should be a continuance because, according to Mr. Crum's testimony, you raised the question.

Mr. Williams said we would have to try to find that out.

Was there a decision at that meeting—and this was the key matter, as was pointed out in the testimony—was there a decision at that meeting that Mr. Williams would determine from Mr. O'Donoghue whether there would be a continuance?

Mr. HOFFA. I would suggest you ask Mr. Williams, who is our attorney who would have more knowledge of it than I do, whether or not after that meeting he did contact O'Donoghue and not try to get me to remember what was said concerning a legal matter, because that becomes our attorney's problem and not Hoffa's problem.

Mr. KENNEDY. Mr. Hoffa, at that meeting, according to Mr. Crum's testimony, you raised the question—you, Mr. Hoffa, and not Mr. Williams—you, Mr. Hoffa, raised the question as to whether there could be a continuance, because it would not make any difference; there wouldn't be anything gained even if you packed the monitors, if you

couldn't get a continuance and get that case dismissed. That was the key matter.

Mr. HOFFA. Who told you that?

Mr. KENNEDY. I just want to find out from you——

Mr. HOFFA. Where is it in the law that what you are saying is true? Let us stay with the law and let us state what could be discussed, if possible. Just what reason would there be and what was the tremendous hurry that we should worry about this lawsuit since October up to now, July 1959, it is still pending and nothing settled and will still be pending quite a while longer? What was the hurry about it?

Mr. KENNEDY. Mr. Hoffa, will you answer the question?

Mr. HOFFA. No, I won't, because you asked Mr. Williams a question of a legal nature. I don't know the answer to it. If there was any legal discussion that night, it would be with Mr. Ed Williams who is our attorney, and I suggest you ask him.

Mr. KENNEDY. Mr. Hoffa, I am asking you about Mr. Crum's testimony.

Mr. HOFFA. I don't care about Mr. Crum's testimony because I am not bound by his testimony and I say to you I do not recall what happened there, that I suggest our attorney, who would know whether or not the following day he followed up on any conversation.

Mr. KENNEDY. Would you listen to the question?

Mr. HOFFA. I heard it.

Mr. KENNEDY. Mr. Hoffa, did you suggest at that time to Mr. Crum that it be determined whether there could be a continuance—that Mr. Williams should determine whether there could be a continuance in that case?

Mr. HOFFA. I do not remember any such discussion, and if it was a legal nature, I doubt if I discussed it with Ed Williams then. I don't try to superimpose my ideas on a legal question when we have an attorney such as Ed Williams sitting in the same room with me. It would be rather ridiculous.

Mr. KENNEDY. Now let me ask you whether, in fact, Mr. Williams after that meeting went to Mr. Martin O'Donoghue to try to get a continuance of that case.

Mr. HOFFA. I suggest you ask him.

Mr. KENNEDY. I want to find out your knowledge.

Mr. HOFFA. You can't find it from me, Senator.

The CHAIRMAN. You can say that you don't know.

Mr. HOFFA. I said I don't know.

The CHAIRMAN. All right, he says he doesn't know.

Mr. KENNEDY. You don't know?

Mr. HOFFA. I don't recall Williams ever discussing it with me, so I don't know.

Mr. KENNEDY. You don't know whether Mr. Williams then went to see Mr. Martin O'Donoghue that Saturday morning to determine whether there could be a continuance in that case?

Mr. HOFFA. I cannot recall Mr. Williams ever telling me that he ever made such a call or contacted Mr. O'Donoghue.

Mr. KENNEDY. You can't recall that either?

Mr. HOFFA. So I can't talk about what Mr. Williams did. He can talk about it.

The CHAIRMAN. Mr. Hoffa, now, of course, Mr. Williams can say what happened at the time, but you might know and probably should know if your counsel went to Mr. O'Donoghue to discuss the matter with him. No doubt your counsel would advise you of his activities in that regard in representing you. There is nothing wrong about that. If he did it, and you might have known, he might very well have discussed it with you and given you a report when he got back as to what occurred.

That would be the natural thing.

Now we can ask Mr. Williams, of course. In the meantime you are testifying and we think you would have some knowledge of it and you may be asked the question.

If you say you don't know, you don't know, period.

Let us go on.

Mr. KENNEDY. Mr. Chairman, Mr. Crum's testimony must remain—

The CHAIRMAN. Mr. Crum testified to that effect.

Mr. KENNEDY. He said the report came back. This was the key matter, because it did not matter after that, Mr. Chairman, if they were trying to pack the monitors and trying to make the payments—

Mr. HOFFA. I object to that statement, and I don't think this should be in the record. This has been going on repeatedly, we are trying to pack the monitors.

The CHAIRMAN. That is the conclusion of the attorney from the testimony.

Mr. KENNEDY. Mr. Crum said that, Mr. Chairman. That is Mr. Crum's testimony.

The CHAIRMAN. That is right. According to his testimony that is what you were trying to do. Whether you were or not, you can deny it and others can deny it, but the whole impact of Crum's testimony was to that effect.

Mr. KENNEDY. And that these discussions took place that evening, the payment that was going to be made to Godfrey Schmidt, and Godfrey Schmidt resigning. There was then discussion, according to Bartley Crum, and Hoffa raised the question as to whether there could be a continuance in the case because it was already being argued before Judge Letts. It was decided at that time that Edward Bennett Williams would see Martin O'Donoghue to see if there could be a continuance. He later reported back, according to Crum, that there could not be a continuance.

The CHAIRMAN. Did your attorney report that back to you, Mr. Hoffa?

Mr. HOFFA. No.

The CHAIRMAN. OK. Proceed.

Senator KENNEDY. Mr. Hoffa, as I understand it, you have stated that you could not recall the conversation which Mr. Crum stated he had with you, at which Mr. Goldblatt was present, the meeting at which—

Mr. HOFFA. What did you say, sir?

Senator KENNEDY. I understand that you stated you could not recall a conversation which Mr. Crum had with you at which Mr. Goldblatt was present, on the telephone.

Mr. HOFFA. But present with Mr. Crum?

Senator KENNEDY. Correct.

Mr. HOFFA. All right.

Senator KENNEDY. You said you could not recall the conversation.

Mr. HOFFA. I do not recall any such conversation.

Senator KENNEDY. It seems to me that in an attempt to determine who is telling the story accurately, and in an attempt to determine whether Mr. Crum is an accurate witness, I think it would be of value to call Mr. Pat Kennedy, because Mr. Pat Kennedy was present during the conversation and was listening on the extension.

Mr. HOFFA. Well, I don't care who you call. I say this: That even if I did talk to him, I told him he would have to take it up with Williams, as I have told him repeatedly, because it was a legal question.

Now, if I talked to him or I didn't talk to him, it still was a legal question and it still would go to Williams.

Senator KENNEDY. The fact of the matter is you did talk to him, didn't you, Mr. Hoffa?

Mr. HOFFA. You are not going to get me to say that I remember when I don't. Do you want me to tell you I do?

Senator KENNEDY. All right, Mr. Hoffa. At least it seems to me in view of the fact that Mr. Crum has stated it categorically and sworn that the conversation took place, in view of the fact that you state you have no recollection of it, then, of course, in view of the fact that Mr. Kennedy also listened in on the extension, that Mr. Crum wrote a memorandum to Godfrey Schmidt in regard to the conversation on November 3, 1958, in which he said:

During the course of the meeting at my home Mr. Goldblatt placed a telephone call to James Hoffa, provisional president of the IBT in Washington, D.C. He read the written proposal to Mr. Hoffa over the telephone in the presence of Mr. Pat Kennedy and myself and asked Hoffa if he, Hoffa, agreed to it. Mr. Hoffa was reported by Mr. Goldblatt as saying that he did but had some question.

Thereafter, Mr. Kennedy and I were both on the telephone with Mr. Hoffa, Mr. Kennedy on the downstairs extension and I on the upstairs extension. Mr. Hoffa asked a question, whether Mr. Schmidt would dismiss the petition of O'Donoghue coming on for hearing on November 5. I told him that was not possible since the hearing was set before Judge Letts, and that this was a petition, as I understood it, of Mr. O'Donoghue.

Then the conversation goes on between you and Mr. Crum and with Mr. Kennedy listening. I don't believe, Mr. Hoffa, you could possibly forget a written memorandum on the telephone of the type we have heard discussed before this committee in the last 2 days.

Mr. HOFFA. Whose memorandum is it?

Senator KENNEDY. It is Mr. Goldblatt's memorandum of agreement.

Mr. HOFFA. No; I don't believe it is, that thing that you just read off.

Senator KENNEDY. Do you agree it was read on the telephone in his own handwriting?

Mr. HOFFA. I don't believe what you just read was Mr. Goldblatt's statement. I would like to see it.

Senator KENNEDY. I said it was the memorandum Mr. Goldblatt prepared which Mr. Crum has in his own handwriting, a copy of it, which was produced before this committee.

The CHAIRMAN. The testimony of Crum is that this was the statement or a memorandum prepared by Goldblatt, and that he made an exact copy of it, and that exhibit 84 is the exact copy. It is only sworn testimony from Crum that this is the memorandum prepared by Goldblatt, that Goldblatt brought to his house.

Mr. HOFFA. Senator, that is not the point that I am raising. Senator Kennedy read off a statement by Crum concerning the telephone call, not the telephone call itself, as such, concerning the document, and I maintain, sir, that whether I talked to him or not, and I may conceivably have talked to him—my memory does not go back that far—even if I did talk to him, it is a matter referred to our attorney Ed Williams from one attorney to the other, and it had no bearing, no commitments, until it was taken up with Ed Williams, if I did discuss the question.

Senator KENNEDY. That is not exactly what Mr. Crum states—

Mr. HOFFA. I am not interested.

Senator KENNEDY. I understand that. But he, you see, does remember the conversation; you do not.

Mr. HOFFA. Fine; good.

Senator KENNEDY. He has a witness to support him, I am confident—Mr. Kennedy. Mr. Goldblatt takes the fifth amendment when he is asked about the conversation. In the conversation, he states that you were very concerned about what action Judge Letts would take. You are not prepared to deny that.

Mr. HOFFA. I am not going to sit here and try to recall from memory and be trapped into making statements that I don't recall concerning something that I don't believe has any importance because it was referring even according to Crum's testimony to our attorney, Ed Williams.

The CHAIRMAN. Mr. Hoffa, as the Chair stated a while ago, in his opinion, this is the very crux of the thing, whether this statement was read to you and whether you agreed to it and said you approved it, as far as you were concerned, but you would have to take it up with Williams.

I think that is the very crux of the whole issue here. It goes right to the heart of the thing, whether there was an effort being made to have Godfrey Schmidt resign and have him replaced and in consideration of that, the attorney fee and so forth, which were in controversy, would be paid.

I think this, particularly since we have this document, exhibit No. 84, that has been sworn to as being a copy of the document that Goldblatt had prepared or had with him at the time, and which was read to you, I think that is right at the heart of the issue here.

Senator ERVIN. Mr. Chairman—

The CHAIRMAN. Senator Ervin?

I am not at the moment passing judgment on who is right or who is wrong, but I do think we cannot brush this aside. It is important. It is the crux of the real question. The determination of whether that is true or not may be the decisive factor as to what actually occurred.

All right, Senator.

Senator KENNEDY. May I finish?

It seems to me that in the memorandum that Mr. Williams had, Mr. Hoffa, you will see at the bottom of the page where, according to Mr.

Crum, you then asked Mr. Crum on the telephone whether it would be possible—would you quote the language, the last sentence, Mr. Williams, on that page?

Mr. HOFFA. What do you want to know?

Senator KENNEDY. I want to have Mr. Williams, if he would, read it.

Mr. WILLIAMS. The document that I have, Senator, on the bottom of the first page, says:

Mr. Hoffa asked a question, Whether Mr. Schmidt could dismiss the petition of Mr. O'Donoghue coming on for hearing on November 5?

Senator KENNEDY. That, in my opinion, is extremely important testimony, Mr. Hoffa, because that indicates your interest in having Judge Letts dismiss the petition.

Mr. HOFFA. I don't believe it is interesting at all for this reason: It seems to me it is a question of trying to find out, if I did talk to him, where did he get the authority to speak for O'Donoghue. That is what it implies to me, not what you are trying to imply.

I would like to also answer your other question, now that I find the page. On page 1903:

Mr. KENNEDY. Did you find out whether he was, in fact, speaking for Mr. Hoffa?

Mr. CRUM. I did raise that question.

Mr. KENNEDY. What was done then?

Mr. CRUM. Mr. Goldblatt then placed a telephone call to Mr. Hoffa * * *

Then they go on and, finally, over on the next page, 1904, they say:

Mr. KENNEDY. In the conversation you had with Mr. Hoffa at that time, was that made clear, or was it clear from the conversation?

Mr. KENNEDY. Go ahead. Read the answer.

Mr. HOFFA. Wait until I get through. I will read it, but my way. Just a moment.

Go back up a little bit to the top and get what you are saying.

Mr. KENNEDY. Can he state this was a proposition offered by Mr. Bartley Crum on behalf of Godfrey Schmidt?

Mr. CRUM. I don't see how he could.

Mr. KENNEDY. In the conversation you had with Mr. Hoffa at that time, was that made clear, or was it clear from the conversation?

Mr. CRUM. It was clear from the conversation that the proposal had come from Hoffa.

Now, if you can tell me how, on a telephone, where two people are discussing a document some far distance away from the third person, that he can arrive at a decision in his own mind that the person who brought the proposal there wasn't the one who drafted it but, rather, he surmised that somebody else drafted it—

Senator KENNEDY. Yes, because if Mr. Goldblatt's conversation had squared completely with the conversation Mr. Crum then had on the telephone with you, then the deduction is reasonable that Mr. Goldblatt and you had a conversation before that meeting and before that telephone call.

Mr. HOFFA. It just cannot be deducted that simply, because if he read me the document, I think I have enough intelligence to understand the document, and if I understood the document I could talk about it as though I had seen it 50 times or the first time. It wouldn't be any different.

Mr. KENNEDY. Didn't you talk to Mr. Goldblatt on the telephone that afternoon prior to the time that he went to see Mr. Godfrey Schmidt?

Mr. HOFFA. Well, did I?

Mr. KENNEDY. Didn't you?

Mr. HOFFA. Well, did I? I don't recall it. I don't recall the conversation. If you have a record, show it to me.

Mr. KENNEDY. Don't you remember that?

Mr. HOFFA. No, I don't.

Mr. KENNEDY. Did he tell you he was going to see Mr. Bartley Crum that evening?

Mr. HOFFA. I don't know of any telephone conversation I had with Mr. Crum, and I don't know how you—with Mr. Goldblatt—and I don't know how you would make that assumption unless you had the wire tapped.

Mr. KENNEDY. Isn't it correct that he called you that day and told you he was going to see Bartley Crum that day, that evening?

Mr. HOFFA. I don't even remember talking to him that day, this conversation concerning the document or during the day.

(At this point Senator Kennedy withdrew from the hearing doom.)

The CHAIRMAN. According to tickets we have, Mr. Hoffa—and we will place them into the record later, but this is so that you may be advised and make your comment or give your answer—according to the telephone tickets we have, a call was placed at 1:35 p.m., on October 27—

Mr. KENNEDY. The same day of the meeting.

The CHAIRMAN. That was to Sterling 3-0670, Washington, D.C. That call was canceled.

Mr. KENNEDY. It was made by Mr. Goldblatt.

The CHAIRMAN. That is a call from Mr. Goldblatt.

Mr. KENNEDY. To Sterling 3-0670.

Mr. HOFFA. Where did he call from, Mr. McClellan?

The CHAIRMAN. I beg your pardon?

Mr. HOFFA. Where did he call from, sir?

Mr. KENNEDY. The Fifth Avenue Hotel, New York City.

The CHAIRMAN. All right. Then at 1:50 p.m., another call was placed from the same number and to the same number.

Mr. KENNEDY. Yes; and that was canceled.

The CHAIRMAN. That one was also canceled. Then at 2:55 p.m., the same call from the same number, and it was completed.

How long did they talk?

Mr. KENNEDY. Approximately 2 minutes.

The CHAIRMAN. They talked about 2 minutes. That is what the telephone records show. The question is:

Did Mr. Goldblatt talk to you on the telephone that afternoon before this conference that he had with Mr. Crum?

Mr. HOFFA. Goldblatt could very well have talked to me from New York, because Goldblatt and I did talk in New York and we discussed the ILA situation in the East concerning the question as to how we could arrange a meeting on automation and containerization. Very conceivably I could have talked to him.

The CHAIRMAN. All right.

Did Mr. Goldblatt call you again the next morning following this meeting with Crum?

Mr. HOFFA. He could have very conceivably called me to find out whether or not I had made a meeting with Captain Bradley of the ILA on the question of containerization and automation.

The CHAIRMAN. The record again shows from the same number, the same call, to the same number, and that that call was completed at 10 o'clock the next morning.

Mr. HOFFA. It could very well have happened, Senator, because I talked to Goldblatt in New York when he was at this hotel numerous times, concerning the problem of ILA-ILWU and Teamsters.

The CHAIRMAN. In other words, Mr. Hoffa, according to the record, here is a telephone call completed to you from Goldblatt on the afternoon before the conference at Mr. Crum's house that evening. Here is the call from Crum's house to you that evening that was completed, and here is the call from Goldblatt to you the next morning completed.

Mr. KENNEDY. Mr. Chairman, there is also a call on October 13, which was just prior to the first meeting.

The CHAIRMAN. Well, let's get these three. These three calls carry with them some probative force in this inquiry as to where the proof in this conflicting testimony lies. Here are those three calls shown to have been completed, and Mr. Crum testifies positively as to the conversation that took place between you and him on one of them.

Can you say positively that you got these calls or that you didn't get them; or can you give any further explanation of them than what you have already given?

Mr. HOFFA. Senator, necessarily, when a call comes in to Sterling 3-0670, any one of a dozen people could take that phone call. In this particular instance, any one of three could take it, because we were all conversant with the ILA situation, the ILWU situation, and the Teamsters. I could very well, myself, have taken the call and discussed the problem.

The CHAIRMAN. Well, did you?

Mr. HOFFA. I don't know, sir.

The CHAIRMAN. Did you discuss with him in those conversations the afternoon before he met with Mr. Crum and the morning after—did you discuss in those conversations his conference with Mr. Crum, the coming conference, or what had transpired in the conference after it was held the next morning?

Mr. HOFFA. Senator, I do not deny that I could very well have talked to Goldblatt in New York on the calls you are talking about, but I don't know what we talked about.

Mr. KENNEDY. That is all.

Senator ERVIN. Mr. Chairman—

The CHAIRMAN. Senator Ervin?

Senator ERVIN. As I understand you, you testified that you had a number of conversations with Goldblatt primarily about seeking to avoid any conflict between the Teamsters and the Longshoremen's Union arising out of automation and other matters?

Mr. HOFFA. On the east and west coasts; yes, sir, I did.

Senator ERVIN. And in the course of some of these conversations, Goldblatt told you that Bartley Crum had approached him with a view to collecting the fee allowed Godfrey Schmidt by Judge Letts?

Mr. HOFFA. It is my recollection that that is how it came about.

Senator ERVIN. And Goldblatt also told you in these conversations that he was a friend of Crum's and would like to assist him?

Mr. HOFFA. And knowing him for a number of years, Senator, and would like to assist him.

Senator ERVIN. And Goldblatt told you also, as I understand, in these conversations, that he, Bartley Crum was desirous of succeeding Godfrey Schmidt as monitor?

Mr. HOFFA. No, I gathered that from our meeting in the office here in Washington, when Bartley Crum and myself were present.

Senator ERVIN. At that time the Teamsters Union had raised the question of a possible conflict of interest between Godfrey Schmidt's actions as a monitor and Godfrey Schmidt's actions or possible actions as a practicing attorney?

Mr. HOFFA. That is right.

Senator ERVIN. And the Teamsters Union was desirous of—well, they had filed a motion through their attorney asking Judge Letts to remove Godfrey Schmidt as a monitor on that ground?

Mr. HOFFA. That is right.

(At this point Senator McClellan withdrew from the hearing room.)

Senator ERVIN. The inference you made from the transactions you had had with Crum, or rather, from Crum's statements at the time he made a visit to Washington, was that he, Crum, wanted to succeed Godfrey Schmidt as a monitor?

Mr. HOFFA. I gathered that from his conversation, based, if I may say, upon his background, experience, and so forth.

Senator ERVIN. As a matter of fact, there were three monitors appointed by Judge Letts, were there not?

Mr. HOFFA. That is right.

Senator ERVIN. And Martin O'Donoghue was appointed as a monitor, presumably as a neutral monitor?

Mr. HOFFA. That is right.

Senator ERVIN. And one of the monitors was appointed by Judge Letts—that is, Godfrey Schmidt—by reason of the fact that he had been attorney for the so-called dissenting Teamsters who had brought the suit?

Mr. HOFFA. Well, I don't think he was appointed for that reason, sir. He was appointed because the 13 had designated him as their representative and each one of us was entitled to a representative.

Senator ERVIN. And the third monitor was appointed presumably because he represented the Teamsters?

Mr. HOFFA. Yes, sir.

Senator ERVIN. And there had been some controversy between the Teamsters and the monitors with respect to the power of the monitors. The Teamsters had taken the position that all matters about which the monitors had complained should be worked out within the framework of the Teamsters constitution, and the monitors had taken the position, or at least the majority of the monitors had taken the position—that is, O'Donoghue and Schmidt—that they should be worked out according to the recommendations of the monitors?

Mr. HOFFA. I don't think we had gotten to that point yet in our relationship with the monitors, Senator. I don't believe so. I think it came right after that.

Senator ERVIN. It would have been advantageous to the Teamsters to have gotten rid of Godfrey Schmidt, would it? Or at least the Teamsters thought it would be?

Mr. HOFFA. We thought we would by filing a petition of conflict of interest, and later on it did come out that that is what disposed of Godfrey Schmidt—a conflict of interest.

Senator ERVIN. So we agree, I think, to this extent. In the testimony there is no serious conflict as to this, that Goldblatt did advise you of the desire of Crum as attorney for Godfrey Schmidt to collect Godfrey Schmidt's fee?

Mr. HOFFA. This was what he was constantly trying to do.

(At this point Senator McClellan entered the hearing room.)

Senator ERVIN. And Crum made it obvious that he, Crum, desired Godfrey Schmidt to resign so that he, Crum, could succeed him?

Mr. HOFFA. I assume that.

Senator ERVIN. So that, as a matter of fact, isn't about the only controversy of a substantial nature between you and Crum with respect to whether or not Godfrey Schmidt—whether this was all to be done with a view to getting Crum as a monitor in Godfrey Schmidt's place? In other words, you agree that Goldblatt did discuss with you the question of getting the fee?

Mr. HOFFA. The fee was his primary interest; also, he said that Bartley Crum would like to become a monitor and thought he could be of some assistance to the American labor movement.

Senator ERVIN. Yes. Now Crum states that Goldblatt said that as a part of this alleged settlement—in other words, referring to the proposition which Crum says Goldblatt made to him—it was that inasmuch as Schmidt has decided to resign as monitor because of the pressure of other work, and feels that the initial purpose of his tenure as monitor has been served, he asked the rank and file committee to designate Bartley Crum, in whom he has complete confidence, in his place.

You said you heard nothing to that effect?

Mr. HOFFA. I did not say that. I say I did not recall any such telephone call. I say it could have happened, it may not have happened. I just don't recall. Even if it did happen, always in every conversation and in this particular one I told them that if there was a legal question it had to be resolved by our attorney Williams.

Senator ERVIN. I think you are on sound ground to that extent.

But do you not think that since Godfrey Schmidt had been appointed at the instance of the rank and file of the Teamsters who had brought the suit, that Judge Letts would have given a great deal of weight in the normal course of events to recommendations from Godfrey Schmidt that Bartley Crum be appointed monitor in his place in the event he, Godfrey Schmidt, resigned?

Mr. HOFFA. I think that if all the people that Schmidt represents would have made a recommendation by a consent decree the judge would have had to accept it.

Senator ERVIN. That struck me as a reasonable inference because here I should infer that perhaps these men who had retained Godfrey Schmidt to bring suit, the rank and file group of 12, would have reposed confidence in him just as you repose confidence in your counsel.

It seems to me that it is a fair inference that if Godfrey Schmidt had resigned and had recommended to the plaintiffs in this case that

Bartley Crum be appointed the monitor in his place, that in all human probability that recommendation would have met with the satisfaction of the 12 and that they would have transmitted it to Judge Letts.

Mr. HOFFA. Isn't it peculiar, sir, that after all this conversation and all the pages here that when it came time to make the appointment, instead of having Crum become their appointee that they selected the associate of Schmidt, Larry Smith?

Senator ERVIN. Yes. That is the reason I say it is not peculiar, it is very natural to me, because evidently the 12 plaintiffs for whose benefit, I put it, Godfrey Schmidt had been appointed monitor in the first place, would have desired, if Godfrey Schmidt could no longer serve them, that somebody who had been associated with Godfrey Schmidt in the matter would succeed him.

Mr. HOFFA. I think Crum was. I think Crum constantly from the day of Schmidt's appointment was as close to the monitorship as Schmidt or Smith was.

Senator ERVIN. Yes; but the fees were not made and this agreement was never carried out, I don't say this agreement, the alleged proposal was never carried out. But don't you agree with me in this instance that if Godfrey Schmidt had made a recommendation, had resigned and had made a recommendation to his clients, the 12 plaintiffs, that Bartley Crum would have been a satisfactory successor? Don't you think in all probability they could have been persuaded to have made that recommendation to Judge Letts and Judge Letts would have given great weight to it?

Mr. HOFFA. I think if it was submitted, Judge Letts would have given great weight to it. Yes; I agree.

Senator ERVIN. One thing this committee runs into and is handicapped by—here it appears from the evidence that you have had long acquaintance with Goldblatt.

Mr. HOFFA. That is not true, sir. I only had acquaintance with Goldblatt since 1958. I met him once before, in 1953, maybe, in Hawaii for a matter of 2 weeks.

Senator ERVIN. It appears from the evidence that you had discussed with Goldblatt matters designed to prevent conflict between your union and the union he represented.

Mr. HOFFA. That is correct, sir.

Senator ERVIN. It also appears here that Goldblatt did interest himself in this matter at the instance of Crum or somebody else.

Mr. HOFFA. I think Crum.

Senator ERVIN. He was interested to a certain extent that he undertook to procure a settlement for the benefit of Crum's client and incidentally for the benefit of Crum who would have got some compensation I imagine from Godfrey Schmidt if he had collected this fee. Now, for the life of me, on the version that you give in the matter, there is certainly no great wrong being perpetrated or attempted to be perpetrated by you on the version you give of this matter.

As far as you are concerned, the idea originated with somebody else and you were not willing to carry it out, except to leave it as a legal matter for your counsel.

Now, the thing I cannot understand is why under these circumstances Goldblatt, who was before this committee last week, instead of

making a frank and full disclosure of this entire transaction, why he pleaded the fifth amendment.

Mr. HOFFA. I don't know either. I read his testimony, and I wondered, myself. Unless there was more to it than met the eye.

Senator ERVIN. This is not the first time we have run into this in this investigation.

For example, when we get your vice president, Bert Brennan, up here and ask him about certain transactitons, he, I would think, would be a close friend of yours, and would be desirous of corroborating you. Yet instead of corroborating you he pleads the fifth amendment.

Mr. HOFFA. Senator, every man in America is entitled to the fifth amendment, and I will not criticize him for taking the fifth amendment, friend or no friend.

Senator ERVIN. If I were in your situation and I had a friend or an acquaintance who would corroborate my testimony I would get down, if I had to, on my knees to him and beg him not to plead the fifth amendment, but to come before the committee and give an account of the version, if his version would corroborate mine.

Mr. HOFFA. Well, that is certainly a much better situation for myself in those instances, but on the other hand, I don't think I have a right as an individual to try to dictate to some man's conscience the necessity of taking the fifth amendment.

Senator ERVIN. I will put it around the other way.

If I had a friend whose testimony under such circumstances would corroborate mine and I was on the other side of the Potomac River, and the Potomac River was fire instead of water, I think I would try to swim to my friend to corroborate it.

Mr. HOFFA. I have been accused of that, myself.

Senator ERVIN. Just one thing more.

On page 1899 appears Crum's alleged version of the document submitted to him by Goldblatt. He says as part of a proposal made to him by Goldblatt for settlement of this fee that Godfrey Schmidt was to recommend to his clients of 12 plaintiffs that Crum be appointed his successor.

Mr. HOFFA. I don't think he had gotten that far. I think they were anticipating the fact that they could do it, but from this document it does not appear they had ever discussed this matter with the 11 people involved. Therefore, there were apparently no assurances that anything should happen; it was a speculative matter.

Senator ERVIN. Also, on the same page, in the next paragraph of the alleged document it was also stated that if Crum went on, in substance, this is not verbatim, that he, Crum, was to exert his influence to bring the satisfaction of a so-called democratic process in the Teamsters with a view apparently to having the monitorship lifted—

Mr. HOFFA. No. It would ultimately mean that, Senator, but we wanted to have a convention which after the convention there would be no monitors.

Isn't that correct?

Senator ERVIN. That is right. In other words, he says this:

Bartley Crum would agree to serve as monitor with the sole objective of resolving the problem of trade union democracy so as to complete the task to which the monitors were assigned and which are preliminary to the calling of a new convention.

Now, is it unreasonable to infer that you and the Teamsters would have been desirous of having that thing occur?

Mr. HOFFA. We were very desirous of having a convention which would not recognize that under the consent decree any time after 1 year when our executive board met and voted by a majority without the monitors, without the court, we could have a convention. So there was no necessity to worry as to what the monitors did or what the court did one way or the other at that particular time because we had been advised by our attorneys that at the end of the 12-month period by calling an executive board meeting and having a majority vote even if the board and the monitors objected to it we could have had a convention. This was of no primary interest because we were already in the month of October, and January 31, we, without any change at all, could have had a convention, but it was challenged, and now it is on an appeal because our views have been challenged by the court.

Senator ERVIN. Would the election have rid you of the monitors?

Mr. HOFFA. Yes, whether it be Schmidt, O'Donoghue, or Maher.

Senator ERVIN. Your executive board cast an affirmative vote to that effect?

Mr. HOFFA. They did. But that is what brought about the question of the court case concerning the consent decree. This then brought about Judge Letts' ruling which we appealed to the court.

Senator ERVIN. Didn't Judge Letts put a different construction than you on that?

Mr. HOFFA. Yes; he did.

Senator ERVIN. So it is a controversial matter.

Mr. HOFFA. Now, but not then, sir.

Senator ERVIN. It is now?

Mr. HOFFA. Yes, sir.

Senator ERVIN. As a matter of fact, Judge Letts ruled in effect that the interpretation which you have just placed on the consent decree is not the proper interpretation and that is the matter involved in the case on appeal now.

Mr. HOFFA. No; he did not say that. He said that the 1 year as such, he reserved the right to change it. He did change it from 1 year to a maximum of 5 or at the court's discretion or after a hearing within the court's discretion.

Senator ERVIN. Does not the consent decree provide that the case was retained under Judge Letts' supervision for further offers?

Mr. HOFFA. Our attorney did not agree with that.

Senator ERVIN. But the judge disagreed with your attorney.

Mr. HOFFA. That is right.

Senator ERVIN. Which is no reflection on your attorney. I have had judges disagree with me.

The CHAIRMAN. Did Mr. Goldblatt or Bridges represent you at any time, you or your union, in these contacts, and in these conferences with Mr. Crum?

Mr. HOFFA. Mr. Bridges and Mr. Goldblatt have no authority to speak in behalf of the Teamsters Union at any time, then, now, or in the future.

The CHAIRMAN. Did they proceed in their effort to bring about a settlement of the issues in controversy between you with your knowledge and consent?

Mr. HOFFA. Now, I knew that they were trying to collect the fee. So I had knowledge of the fact that they were trying to collect the fee from Crum. I had knowledge of the fact that Crum, from what I assumed, was desirous of becoming a monitor.

The CHAIRMAN. Is it your position now that Goldblatt and Bridges were the agents of or interceding on behalf of Crum and Schmidt to try to collect the fee?

Mr. HOFFA. I think they were. I am assuming.

The CHAIRMAN. That is your position?

Mr. HOFFA. I am assuming; yes.

The CHAIRMAN. You are assuming that.

Can you state emphatically and do you state emphatically that they were not interceding on behalf of you or your union in order to bring about a settlement that would result in the resignation of Godfrey Schmidt as a monitor and the appointment of Crum as his successor?

Mr. HOFFA. They may have been discussing the questions of the fee, of Crum becoming monitor, but at no time did they have authority to bring about a settlement of any issues that Crum discussed yesterday concerning the fee or the monitorship—or the lawsuit.

The CHAIRMAN. Read the question back.

(The question was read by the reporter.)

Mr. HOFFA. They may have been interceding without authority.

The CHAIRMAN. If they did so intercede and undertake to bring about such results, it was without your approval, your direction, and authority from them?

Mr. HOFFA. They had no authority at any time to conclude any agreements or to speak for this international union.

The CHAIRMAN. I didn't say conclude. I said "negotiate."

Mr. HOFFA. They could not negotiate with authority.

The CHAIRMAN. They had no authority?

Mr. HOFFA. They were not to negotiate a single thing for this union.

The CHAIRMAN. They were in no way authorized by you?

Mr. HOFFA. They could complete no settlements——

The CHAIRMAN. I didn't ask you that.

Mr. HOFFA. I cannot stop people from talking, sir.

The CHAIRMAN. You cannot stop them. But you can also not authorize them. I asked you, Did you not authorize them to do this?

Mr. HOFFA. They were not authorized to speak for this international, then or now, on any subject.

The CHAIRMAN. They were not then and are not now?

Mr. HOFFA. They are not authorized to speak for this international union. The executive board speaks for this international union; not Hoffa or anybody else.

The CHAIRMAN. Mr. Hoffa, there is no use of our quibbling about it. I will leave the record as you want it, but you are not answering the question directly.

Were they then not authorized by you to represent your union in the conferences and negotiations that took place?

Mr. HOFFA. The answer is, I did not authorize anybody to speak for this international union, including Bridges or Goldblatt.

The CHAIRMAN. All right. And you say they are not now so authorized?

Mr. HOFFA. They are not now.

The CHAIRMAN. All right.

Senator MUNDT. Mr. Chairman——

Senator ERVIN. Did you authorize them to speak for you as president of the union as distinguished from the union in its corporate capacity?

Mr. HOFFA. Well, Senator, that is a rather difficult—they had no official authority to speak for myself or the international union. However——

Senator ERVIN. That answers it.

The CHAIRMAN. Senator Mundt.

Senator MUNDT. I think we should pin that down. You say you did not authorize them. You said earlier that only the executive board has the authorizing power. Did the executive board at any time authorize them to negotiate or speak for the union?

Mr. HOFFA. No; not to my knowledge.

Senator MUNDT. Earlier in your testimony, Mr. Hoffa, you sort of questioned the credentials of Mr. Crum as a witness by referring to his fluid background, and upon interrogation, you said fluid background included some associations with Communists on the west coast.

I am not prepared to dispute that statement, but accepting it for the sake of these questions, included in that fluid background, then, that Mr. Crum had, two of the Red pirates who raised the black flag to attack our American freedoms were Harry Bridges and Mr. Goldblatt, both of whom have frequently been accused of having associations with Communists and both of whom have taken the fifth amendment.

(At this point Senator McClellan withdrew from the hearing room.)

Mr. HOFFA. May I inquire, sir, whether or not you tie both of those together?

Senator MUNDT. I tie them both together.

Mr. HOFFA. Do you think taking the fifth is tantamount to being a Communist?

Senator MUNDT. I tie together the two men, I thought you meant. I said both of them have been accused of being under Communist control, and both of them have taken the fifth amendment and have failed to deny it. There is a lot of corroborative evidence quite apart from that.

You, yourself, raised the question about the fluid background. That being true, I wonder if there is any truth in the newspaper reports that you are negotiating with Mr. Goldblatt and Mr. Bridges to tie up one great big union run by Bridges and Hoffa?

Mr. HOFFA. Senator, I have made a statement in front of this committee, to the newspapers, and I make it again, that it is my firm belief that it is my responsibility as president of this international union to be able to associate in a council the transportations unions of America, so we will not be harassed by employer combinations, so we will not be placed in a position of secondary boycott, so we will not be placed in a position of blackmail picketing, not placed in a position of organizational picketing, not caught in a squeeze on economic matters at negotiations, but rather, we will have enough sense, I hope, to be able to piece together a transportation council that will be able to

exchange views and ideas on the economics of this country and to be able to discuss between ourselves the matter of wages, hours, conditions, pensions, welfares, et cetera, for the common interest of transportation workers, as such, in the United States.

I will use my office, as long as I am empowered by my board, to meet with anybody to discuss the continuation of trying to place together a council for the benefit and protection of the American workers regardless of what the press or other people may think or try to insinuate as the counsel has that Hoffa has Red ties, and I defy him to show it.

Senator MUNDT. That Hoffa has Red ties?

Mr. HOFFA. Yes.

Senator MUNDT. That is——

Mr. HOFFA. He made a speech in Utah and that is what he said.

Senator MUNDT. That is one accusation I have never heard against you and was not made against you by this committee. Let me ask you this question, to get to the meat of the coconut:

Would you favor such a giant combine if it were to be headed by a Communist?

Mr. HOFFA. I don't believe that there is anybody in this country who heads up a union that is a Communist.

Senator MUNDT. I didn't say that.

Mr. HOFFA. Pardon me, sir.

Senator MUNDT. My question is pretty clear.

Mr. HOFFA. I realize your question and I will answer it, if I may.

Senator MUNDT. All right.

Mr. HOFFA. I do not believe there are any unions headed up by Communists in this country, and despite the insinuations that Bridges is a Communist, our U.S. Supreme Court and the laws of this land have not convicted him, as such.

I would not favor a Communist heading up a combined transportation organization of the United States, or a single organization of the United States, never mind a combination.

Senator MUNDT. That answers it.

I was asking you questions along this same line, Mr. Hoffa, on August 21, 1957. That seems like a long time ago. You must have been before us a long while. And on that occasion, at page 5108, you and I engaged in the following colloquy, which I want to read to you and see whether that remains now your opinion as it was then.

Senator MUNDT. I heard a prominent labor leader on a television program last Sunday——

that was Harry Bridges——

whose name has been associated with you as a possible conferee at least in a council of accommodation, if you reach the top of the labor union, say something to the effect that he did not believe that the interests of labor and management were in the same hat, that they inevitably had conflicting points of view and conflicting interests. I have heard other labor leaders say that they believe both labor and management, as part of our private enterprise system, have interests in common and that by and large these economic processes which help one help the other. Would you care to express yourself on that situation?

Mr. HOFFA. Well, I listened to the same individuals and you heard the broadcast on television of Mr. Bridges, and I say that I do not agree with him at all, and I believe that management and labor very definitely must at all times have something in common, because one without the other cannot survive.

Senator MUNDT. I agree with you on that statement 100 percent, and am happy to have you tell me that you do not agree with what Mr. Bridges said on that program.

Mr. HOFFA. I don't agree with a lot of things Harry Bridges said on that program.

Senator MUNDT. You may lose him as a conferee if you succeed in amending your constitution the way we were talking about this morning.

Mr. HOFFA. I assure you I never asked him and I will not accept Mr. Harry Bridges into the Teamsters Union under any circumstances, and he has been so told.

Senator MUNDT. Good.

I thought it was good then. I think it is good now. How about you, Mr. Hoffa?

Mr. HOFFA. And I will tell you that the same answer remains now. Harry Bridges is not going to become part of the Teamsters Union as long as I have a voice in it. Likewise, I believe that management and labor very definitely can get benefits out of a transportation council, and an individual on the west coast who heads up the employer council for the maritime unions who met no later than last week with myself, the many important people in San Francisco, unhesitatingly said that he agreed, despite what newspapers, despite what editorial writers, and despite this committee, he agreed that the best thing that could happen to the employers in transportation would be that there should be a council of transportation to resolve issues before they become strike issues.

I know full well, better than anybody around this table, the necessity of a necessary employer and healthy industry. Otherwise, you do not get for your people moneys that are necessary for their standard of living that we like to have represented in the United States.

(At this point Senator McClellan entered the hearing room.)

Senator MUNDT. That would presuppose, I am sure, that you had proper and loyal leadership of that union organization.

Mr. HOFFA. This is going to be a council. Nobody is going to take over anybody. This is a council. It will operate by majority vote, if it operates. At any time anybody doesn't want to belong to this council, he can get out, and nobody is going to dictate to the Teamsters in this council and we don't expect to dictate to anybody else.

Senator MUNDT. Would you agree with my question, that for this council, this arrangement that you have been reciting from this council of employers on the west coast, for it to work in the public interest it would presuppose proper and loyal leadership both on the part of management and labor?

Mr. HOFFA. I heard the same employer representative make a statement, and I heard Crum make a statement yesterday, that despite the insinuations in the newspapers, Bridges, as such, his word was good. Once he signed a contract, he lived by it. But he fought like mad at the bargaining table.

I have heard representatives of employers say this is the way it should be. We reserve the right to fight for what we believe, they have a right to fight for what they believe. But once we sign a contract, this, then, should be the end of our fight until the contract expires.

Senator MUNDT. That is not responsive to my question, Mr. Hoffa.

Mr. HOFFA. I think it is.

Senator MUNDT. No. My question was, Would you agree with me that in order for this combine or council to operate in the public in-

terest, it must presuppose that the leadership, both on the part of the union and the management, has to be both proper and loyal?

Mr. HOFFA. Why, there is no question. I certainly agree with that. The answer would be "Yes."

Senator MUNDT. You have said several times that you believe in union democracy. I have said that. We proved it somewhat differently. I believe it requires some legislative carpentry to get it and you believe it can be brought about by the unions themselves.

But I think you were in the room yesterday when you were quoted as to your concept of union democracy. I would like to read that quotation to you, see if you can recall having made the statement, and, if so, whether it accurately defines your concept of union democracy.

Mr. HOFFA. I will be glad to hear it.

Senator MUNDT. At the meeting in your office, and you were here at the time and neither smiled or winced at it at the time it was made, Mr. Crum was saying that Feuer who, I believe, is his law partner, said to Hoffa that he assumed that the objective of everyone was to see that a free election was held with appropriate safeguards for the members.

Hoffa replied, and I will quote Crum—

that he, Feuer, must be out of his mind—

that—

in the Teamsters Union every man stands up and has his vote counted, and God help him if he votes the wrong way.

Mr. WILLIAMS. Senator Mundt, Senator Kennedy handed me a few moments ago—this is germane to your question and I think you would want to have the question state the facts.

Senator MUNDT. Let me get the answer from Mr. Hoffa. I would like to get the answer from Mr. Hoffa. Then I will be certainly glad to hear you. I want to know from Mr. Hoffa whether that is an accurate statement or whether it accurately reflects his idea of union democracy.

(The witness conferred with his counsel.)

Senator MUNDT. It has nothing to do with what was said, Mr. Hoffa, or what was not said. I am reading the statement that Crum made.

Mr. HOFFA. I think it is only fair, sir, since this document was handed to us as an authentic document, we be able to answer your question concerning what apparently transpired in that office. And in the transpiration we have here—

Senator MUNDT. What are you quoting from there?

Mr. HOFFA. I am quoting from the document that was submitted by Crum:

Mr. Feuer said to Hoffa that he assumed that the objective of everyone was to see that a free election was held with appropriate safeguards for the members. Hoffa replied that he, Feuer, must be out of his mind, and that the honest ballot proposal would bankrupt many locals, and would cost over \$1 million, was contrary to the Teamsters' constitution.

That was brought about by the following: They have been trying to convince us that we ought to have the Honest Ballot Association conduct our elections. My experience with the Honest Ballot Associa-

tion is that their operation is not satisfactory to our membership, as such. Despite what you may like to think or this committee may like to think, the bankruptcy of morals in the Teamsters Union is not yet arrived at. We have the highest standard of rank-and-file tradition in our local unions.

And despite what has been said here by individuals and statements to the press to the contrary, we do have free, secret ballot elections for local officers. But when it comes to a question of a convention, the delegates can be selected or elected, according, again, to what the rank and file desires at a local level.

But once they arrive at a convention, so that the membership back home, the same as this U.S. Senate and Congress, so that their constituents back home, and our members back home will be able to know that they carried out the desires of the membership, it has been my position then, and it is my position now, and our convention agreed by unanimous action for over 50 years, that we have a rollcall vote, and it be registered, so that the delegates back home will know, rather, the membership will know back home, what the delegates did at that convention.

I am utterly opposed to any other method of electing national officers or drawing a national constitution.

Senator MUNDT. My question did not go to the Honest Ballot Association.

Mr. HOFFA. That is where it winds up, sir.

Senator MUNDT. I do not know whether that works satisfactorily, or not. I have had no personal contact with it. I was concerned with what Mr. Crum said was your reply.

You read from some memorandum there, submitted by the clerk, apparently Mr. Crum's notation. I read from what Mr. Crum said at the committee meeting yesterday when he said that Hoffa replied—turn to page 1915, Mr. Hoffa.

Mr. KENNEDY. While you were there did Mr. Feuer raise some questions?

Mr. CRUM. Yes, he did.

Mr. Feuer innocently raised several questions with Mr. Hoffa. He said, in effect, wasn't the problem of having a secret ballot for the members of the Teamsters Union so that they could elect officers of their own choice, and shouldn't there be an accounting, and Mr. Hoffa turned to me and he said, "What is the matter with this fellow? He must be out of his mind. In the Teamsters Union, every man stands up and has his vote counted, and God help him if he votes the wrong way."

Mr. HOFFA. Mighty funny. His memory is better today than it was when he made the memorandum the next morning according to his testimony.

I want to say to you, Senator, in reply to your question: We are in favor, as our amendment was submitted to the Congress of the United States, for secret ballot elections of local union officers. We are in favor.

That is on record with the U.S. Congress. We are in favor of accounting. It is on record with the U.S. Government.

We do oppose, however, imposing on somebody the authority upon whim, without reason, to be able to change an accounting system of our union by a regulation that nobody would have knowledge of and that the regulations could consist of such that it would change the

mechanical bookkeeping system we have in our offices, that could cost us hundreds of thousands of dollars, all the way up to millions.

If you want records for 3 years, 10 years, we will keep them. If you want checks and receipts, we will keep them and we will have CPA's audit our books, but please don't put us in any category than a normal businessman would like to have.

I appeal to you, and Senator Goldwater, who is in business, to find out whether or not you would believe that there should be any other accounting system than a normal accounting system set up by normal certified public accountants.

Senator MUNDT. I am not quarreling with the accounting system. I believe certified public accountants are the best authority on that. I agree.

Is it your testimony, then, that you did not make this statement?

Mr. HOFFA. I do not recall this statement, and I would not have made the statement. I don't believe it is accurate.

Senator MUNDT. It would not reflect your opinion?

Mr. HOFFA. It is not my opinion. I have stated my opinion.

I want to say furthermore, sir, that I defy anybody to prove that after our last convention those individuals who voted against me by an open rollcall vote, despite certain statements of individuals who came before this committee, that they have been discriminated against or intimidated.

I would like to see it and I would like to make an investigation of all the facts surrounding it to determine whether the statement is accurate, or whether it is a fancied imagination.

Senator MUNDT. No. 1, then, it is your testimony that you did not make this statement:

In the Teamsters Union, every man stands up and has his vote counted, and God help him if he votes the wrong way.

Mr. HOFFA. I probably made the statement.

The CHAIRMAN. What?

Mr. HOFFA. I probably made the statement that every man should stand up and be counted. I was probably talking about a convention because the whole discussion, according to Crum's version, was a convention and not a rank-and-file secret ballot election for officers.

Senator MUNDT. What about the last part? Did you also say, "God help him if he votes the wrong way"?

Mr. HOFFA. I don't recall any such statement. It is not my opinion and it is not my position.

Senator MUNDT. You said the first part, "In the Teamsters Union every man stands up and has his vote counted"?

Mr. HOFFA. And I believe he should.

Senator MUNDT. You are talking about a convention?

Mr. HOFFA. Yes, sir.

Senator MUNDT. You testified that you believe the local's ballots should be secret?

Mr. HOFFA. They are now, under our constitution.

Senator MUNDT. When they go to the convention, they stand up and are counted so that the local people can find out whether they carry out their desires?

Mr. HOFFA. Yes, sir.

Senator MUNDT. I see nothing particularly wrong with that position, but how about this last part, that still worries me—"and God help him if he votes the wrong way?"

Mr. HOFFA. Senator, I don't recall any such statement. I don't believe I would make it.

My record speaks for myself—that nothing has happened to anybody who vote. They have a right to vote.

Senator MUNDT. You said something about the last Teamsters convention—some voted for you and some against you.

Mr. HOFFA. The vast majority, 90 percent, voted for me.

Senator MUNDT. Is anything going to happen to the fellows that voted against you? Your testimony is that nothing did happen to the fellows that voted against you.

Mr. HOFFA. I broke my back, Senator, as a good politician has learned, that when you have people vote against you, you try to convert them for you and you do a little extra work, get them for you in the next convention, not against you. That is what I have been doing.

Senator MUNDT. That is pretty sound political philosophy.

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. Mr. Hoffa, you have discussed with Senator Mundt your nebulous plans for a council of all transportation unions?

Mr. HOFFA. Yes, sir.

Senator GOLDWATER. In your opinion, would this council have the power to call a nationwide strike of transportation?

Mr. HOFFA. No, sir. At no time would we take away from our membership the right to vote whether or not they wanted to accept or reject the employer's contract, and we would not get into a nationwide strike.

Senator GOLDWATER. Could the council at any time utilize power to place the entire transportation industry in a secondary boycott position in order to force—in order to gain objectives for any one particular segment of the transportation industries?

Mr. HOFFA. Let me answer that by saying it may, Senator. Unfortunately for this country, the U.S. Government has apparently recognized the right of employers to band against them and be able to subsidize each others' strikes out of their pockets. If this is going to be the practice of employers of the United States—of combining themselves into an industrywide combination to where they may be able to buy out, if you please, their responsibility of negotiating a labor contract on fair terms, by knowing that they will receive the same profit they made the same period last year without a strike—then it would be conceivable that the American transportation units may have to find themselves in a position that employers hoping to be able to pay each other's debt have common expiration dates where there will be no profits to destroy and defeat organized labor in transportation or any other industry.

This could conceivably happen if you permit by law, as you are now doing, the formation of councils to be able to buy out each others' strikes, as newspapers do in this country in almost every city, as the airlines now do, as I see the railroads are trying to do, as I hear now, by the grapevine, the truckowners are trying to do, and I understand the steel companies are trying to do.

If this is the new, modern method of democracy in the United States for employers, then the same democracy ought to prevail for workers in America to be able to protect their own interest by having enough commonsense and businesslike attitude to sit down and recognize the cost factor of a strike, to be able to circumvent and offset a strike; if not, use a combination sufficient to make that strike as limited as possible.

Senator GOLDWATER. Of course, the union movement today has that same right if they wanted to do it; in the secondary boycott and application of it you have pretty much that same phenomena occurring.

Mr. HOFFA. That is absolutely correct.

Senator GOLDWATER. You may think it is incorrect, but the power behind it is correct and the power of management in trying to help each other during the course of a strike, I suggest to you, Mr. Hoffa, has come about by the power of unions.

Mr. HOFFA. No, sir; I do not agree with you at all. I will show you, sir, back in 1932, if you please, when we could hardly get our head above water, the employers had organizations in existence the same as they have today and they worked together to defeat organized labor and tried to defeat us on the very first contract we had and had to finally strike the entire car-hauling industry of Michigan and the freight industry to keep each other from working to destroy our organization.

Senator GOLDWATER. I will not argue with you on that point because I have said many times in the early 1930's it was proper in my opinion that the Federal Government endow the labor movement with power to meet the other side of the table.

Mr. HOFFA. This was the employer. They didn't give us that power.

Senator GOLDWATER. I recognize that. I said it was proper for the Federal Government to give the labor movement these powers to balance management at the bargaining table.

Now, my question is getting to the same question I asked you nearly 2 years ago: It seems from this same subject, that the union movement in this country is no longer a weakling, no longer a fledgling, it is a powerful institution.

In my opinion, and I think in your opinion, you can sit down at the bargaining table with probably more cards in your hands in most cases than can management. You might not agree with me, but that is my opinion.

I asked you back in 1957, in August, after prefacing my question with remarks similar to the ones I have made, namely, the accumulation of power in the union movement, the ability to strike, which by the way we should never take away from the union movement, and I asked this question:

Because of those facts would you think it wise, too, that the Congress consider placing unions under antimonopoly or under antitrust laws the same as we place the large corporations of this country?

You answered:

I certainly do not.

Now, I thought that at that time I asked you that question. I evidently asked you this question after the meeting or I might have

dreamed that I asked it, but I made a hypothetical situation which I will read to you again and I want to ask you this question once more:

If a person or a union has absolute control and, say, just to make it a hypothetical question, one man or small group of men have absolute control over the wage scales of an entire industry such as the trucking industry and the wrong group are heading it, could not that group do as much damage to the consumers of this country as, let us say, for example, X corporation who would control all of the acetate yarn production of the country?

Now, that was my hypothetical situation.

Mr. HOFFA. What was my answer, sir?

Senator GOLDWATER. Well, you made a mistake in your answer. You recognized me as a Senator from Nebraska and I thanked you for the compliment.

I wanted to ask you if your union or your council or your combination, whatever you want to call it, ever reaches a place where you can restrain trade in this country to the damage of the public?

Do you think that the Government should have controls over that restraint the same as they have in corporations in business?

Mr. HOFFA. No, sir; I do not.

Now, or in the future, for two reasons: One, a worker in the industry that he has chosen to work in has only two things to offer: One, his time; the other his physical well-being. He may have lost an arm, he may have lost a leg, or a combination of both; he would have no place to go to work anywhere in the United States and probably would be too young to draw any sort of benefits from the Federal Government or the State.

If there comes a time in America when you are saying in effect that if organized labor becomes officially organized to match industry, then organized labor must be contained and organized labor must find itself regulated by law to where it will not be able to exercise its original intent of exerting economic pressure when it becomes necessary on employers to accept improvement in contracts, be willing to sign pension, welfare, vacations, et cetera.

Now, I say to you, Senator, I have had experience in this labor movement as long as most old men have had. I can individually remember the years of 1932, 1933, 1934, 1935, 1936, up to 1937, and all during those years we were battered around and beat by the employers all over these United States.

Finally we conceived the idea of a Central States Drivers' Council for the entire Middle West. I think now of the question of Nebraska, what we had there, and after the very first contract was signed in 1937 with the industry in the Middle West, the State of Nebraska employers thoroughly organized in the American way, American plan, defied the unions to get a contract signed in Nebraska even though their representatives had sat in and negotiated that contract.

(Members of the select committee present at this point in the proceedings: Senators McClellan, Ervin, Mundt, Goldwater, and Curtis.)

Mr. HOFFA. It became necessary at that time to picket the roads leading into and out of Nebraska.

Maybe you will recall it, Senator Curtis.

Those drivers belonging to our union, recognizing the substandard wages in Nebraska, recognized and respected those picket lines.

After a long, bitter fight, we were successful in getting the Nebraska employers to sign our contract. Since then—and I may say also, Senator Mundt, in your neighborhood it became necessary during the time of war, if you please, that the Government take over 100-and-some-odd trucklines because the employers refused to comply with the War Labor Board decision, and the Government operated the trucks at a deficit to the extent that you had to pass a special law in Congress to subsidize and pay the losses of those concerns.

I maintain, Senator, that you cannot apply the principle of profit to the American human being. He has nothing in his pocket. He has nothing in the bank, when it comes to comparing him to the smallest executive, or to a president of a corporation.

So I suggest that rather than try to hamstring the American labor movement that we recognize that the worker, out of sheer necessity, based upon the construction of large corporations today, must have the right of combinations, of organizations, to be able to assist each other to get for them what they are entitled to without the restraint of trying to say that the human body is subject to the same corporate structure of an industry who has stockmarkets, shares on the stockmarkets, who sells it to widows, to everybody concerned, trust funds, et cetera.

But the worker has no stocks, no bonds, no dividends. He has his hands, his feet, his eyes. Therefore, I suggest to you not to try to entrap him into a situation of antimonopoly that will destroy organized labor and place him back in the year 1932–33.

The CHAIRMAN. Let the Chair make this observation: If we continue in this fashion, we may have a night session.

Mr. HOFFA. And I will miss my plane, sir.

The CHAIRMAN. I am doing my best to expedite it. But if we are going to make speeches here all day, we may run into a night session.

Senator GOLDWATER. Mr. Chairman, I resent the Chairman labeling my question as a speech. I think I have asked fewer questions on this committee than any member. I have an honest interest in what Mr. Hoffa's opinion is on this, because in my opinion the whole disease we have been investigating is power. I wanted to ask Mr. Hoffa a few simple questions about this. I don't intend to make any speeches. I can't control what Mr. Hoffa wants to do.

The CHAIRMAN. I didn't say you could.

Senator GOLDWATER. You certainly made the inference.

The CHAIRMAN. I have made no inference except Mr. Hoffa wanted to get away from here at noon. He gave you a long answer; didn't he?

Senator GOLDWATER. I would like to get away from here, too. We have been sitting here 2½ years.

The CHAIRMAN. All right. I pointed out to him that if he continued with this kind of answer we would be here tonight. Does the Senator resent that?

Senator GOLDWATER. If the Senator is not directing his insinuation at me, I don't resent it.

The CHAIRMAN. I think you asked just a question, didn't you?

Senator GOLDWATER. I did.

The CHAIRMAN. I am trying to point out to Mr. Hoffa, who wanted to get away from here at noon, that we are likely to be here tonight if we are going to have a speech in answer to a question.

If you are going to ask questions that prompt speeches, then you are both participating in it.

Proceed.

Senator GOLDWATER. I will do my best to ask questions in a simple way. I think he can answer in a simple way.

Mr. HOFFA. This wasn't a simple question. This was the fundamental principle of organized labor.

The CHAIRMAN. I was trying to get through. If we can't, we can't.

Mr. HOFFA. I understand. I want to get out of here, too.

Senator GOLDWATER. If I can continue for a few minutes—

The CHAIRMAN. Go right ahead.

Senator GOLDWATER. Am I to believe that your position today is the same as it was 2 years ago; namely, that you feel that the labor movement in this country should have absolutely no restraints placed on it, even when the actions of the labor movement can do damage to the public?

Mr. HOFFA. I would like to say, Senator, and I have no right to speak for the steel unions and I am doing something I normally don't do, but it happens to be in the public eye and in their mind today—I would like to say that the steel corporations of America have brought about a greater discomfort to industry and to the American public than any union could ever do by increasing capacity production to the extent that they can stock warehouses, that they can stock manufacturers, and then they can come to the bargaining table and arrogantly say, "This is what you will do or you will get nothing; go on strike."

If this is to be the democratic system of America, then I say to you, sir, in all due respect, that we must recognize the combination of organized labor, the combination of the ordinary worker, both in politics and in unionization; that we have a common enemy, and that common enemy has no right to expect to have the power to destroy our organization by locking us out and starving into submission individuals who have no money in the bank, who have very little limited credit when their paycheck is cut off, but, rather, sun themselves in Florida and elsewhere, saying that, "This is what you will do or else."

If this is the answer to the American worker, then I say to you the American worker will surprise industry and surprise all of the politicians in America, because they will not stand for it, nor will they stand to be destroyed by antitrust.

Senator GOLDWATER. That didn't answer my question. You can answer it "yes" or "no."

Do you believe that at any time, regardless of how powerful unions become, there should never be any restraint placed on them by the Federal Government, regardless of what this power can do to the country?

Mr. HOFFA. My opinion is the answer is "No." There should be no restraint on unions as long as they are complying with the current city, State, and Federal laws.

Senator GOLDWATER. Well, you are above the Federal law, you know, in some instances.

Mr. HOFFA. No, sir; that isn't true.

Senator GOLDWATER. You are above State laws in some instances.

Mr. HOFFA. I have read your statements, sir, and you have made speeches all over this country, and it absolutely is not true. We are

subject to every law in the United States, whether it be from an ordinary scuffle on the street to any other law.

Senator GOLDWATER. How about the injunctive processes?

Mr. HOFFA. We are subjected to it more than anybody in America.

Senator GOLDWATER. Not until you do damage, though.

Mr. HOFFA. No, sir; that is not true. I have had injunctions served on me by the mere announcement in the newspaper that there was going to be a strike. I have seen the Steelworkers recently called in by the President of the United States, in all due respect to him, and have urged them not to go on strike, but, rather, that they should delay their negotiations to try and work out their problems.

But ultimately and eventually, and you know it, there is a section in the Taft-Hartley law, that without a strike those workers for 60 days could be required not to strike.

You also know full well, sir, that if there is a strike any one little justice of the peace, circuit-court judge, can sign an injunction, prior to going on strike, limiting the number of pickets in front of an establishment, or restricting the strike entirely if they desire to do so.

Then it becomes a matter of appeals, which takes weeks, months, and money.

Senator GOLDWATER. I will still stand by my interpretation that you can't have injunctive processes applied to you until you do damage to persons or property. I wish you would agree.

Mr. HOFFA. I wish you would sit in my office. I would like to hire you for a lawyer. I have hundreds of cases to the contrary, sir.

Senator GOLDWATER. All right.

One other question: You mentioned automation and something else. What was that?

Mr. HOFFA. Containerization, where they take a container off of the body of a truck chassis and place it on to a boat or on to an airplane or railroad.

Senator GOLDWATER. Yesterday, Mr. Crum, in his testimony, mentioned that a Mr. Sidney Baron, of New York, went to the Pepsi-Cola people and told them that you had told him that you would not deliver Pepsi-Cola if Mr. Crum became the monitor.

Mr. HOFFA. Well, I say to you that I believe I met Baron once in my life. He is a public-relations man. And I discussed not employers but our own problems. I have been trying to reach Baron since yesterday to find out whether or not such a statement is true, because I question whether a high-grade man like Baron that he would make any such absurd statement knowing full well, sir, that the injunctive procedure you are talking about would be immediately put into effect if we violated our contract, plus a tremendous financial lawsuit.

I doubt this, sir.

Senator GOLDWATER. That is all I have.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Hoffa, you overrate my power over the economy of Nebraska, so I will ask you something else.

Mr. HOFFA. I am aware of it.

Senator CURTIS. How many delegates were at your last convention?

Mr. HOFFA. I think either 1,800 or 1,900. I don't know offhand, sir.

Senator CURTIS. How many of those were on the payroll of the Teamsters Union or some unit thereof?

Mr. HOFFA. I would say that the majority of the people at a convention would be local officers who could be on a payroll. I don't know. I didn't check it. But it could be very well a happening, because if you have enough popularity to get elected as an officer of your local union, you have the same popularity to get elected as a delegate to a convention.

Senator CURTIS. Would you include in that business agents?

Mr. HOFFA. Yes, sir.

Senator CURTIS. Approximately how many people there, then, were drawing salary from the Teamsters Union or some unit thereof?

Mr. HOFFA. I would say, as I stated before, it could very conceivably have been a majority, like the Senators who go to conventions, national, Democratic and Republican, who are on the payroll of the U.S. Government, but go there as delegates, have the same opportunity.

Senator CURTIS. Did the Teamsters Union ever offer a contract to any Nebraska group that called for a reduction in wages of the employees if they would let the Teamsters Union in with a contract?

Mr. HOFFA. Let's straighten this thing out. I am glad you brought it up.

This question of Nebraska has been bounced around here sufficiently, I think, that we ought to take time to straighten it out.

Senator CURTIS. Do you mind answering the question?

Mr. HOFFA. I can't answer it in 2 seconds. I have to explain what happened so you will know the answer to your question, sir. It isn't a "Yes" or "No" answer.

In the State of Nebraska you have what is known as the Small Carriers Association. You have also more intrastate carriers in Nebraska than any other State that I know of, which are permitted by your State legislature. They have also an association. Likewise, there is an association of employers with interstate operations who have intra and city operations also. The interstate carrier, the intrastate carrier—the intrastate driver and the city driver is bound by negotiations in Chicago on a master contract. The intrastate people, who are the small carrier operators, served notice upon our committee that the master negotiating committee did not speak for them.

Consequently, we met with the small carriers of Nebraska, and recognizing that they had a competitive problem with the nonunion operations, we sit down and negotiated with the intra, not the inter, the intra operators a lesser wage scale than the interstate drivers.

Senator CURTIS. That doesn't answer my question.

Mr. HOFFA. Just a moment, please.

Senator CURTIS. My question is—

Mr. HOFFA. I want to give you an answer. The next step was the people you are talking about, and it was not a reduction in pay, by the way, it was an increase, but less than the normal rate that we wanted for a nationwide contract.

Now, let us take what you are talking about.

Let us take Coffey. Let us take Clark that has been bounced around here, and let us take Roman and the rest of them. I say to

you that we did sit down with Clark, Coffey, Roman, Red Arrow, and the rest of them, and we discussed with them their competitive problem with stock haulers, their co-op competitive problem, and we recognized that while they were paying a basic weekly wage with unlimited hours, Saturdays, Sundays, holidays, no vacations, no welfare, no pension, we sat down with them and discussed the possibility of reducing their 60 and 70 hours a week to a 40-hour workweek, and in the process of reducing those hours, we would get a very small take-home pay increase, and we would reduce the hours correspondingly down with no loss in pay to the individual employee except—and here is what you are talking about—except in some instances, where the salary that had taken place by having long excessive hours, was reduced down less than the basic hourly wage that they would receive if you had taken the same take-home pay, divided it by 40.

We did it for two reasons:

1. We wanted the carriers to give us a pension and welfare plan, holidays and vacations, which would have been substantially higher, would have made their hourly rate substantially higher than their competitors. So we agreed that if we could get pension, welfare, vacations, holiday pay, we would hold still in the way of increases and take part of the reduction of hours into the fringe benefits which could basically reduce in a nominal amount the hourly wage scale in those instances.

So it could happen. And I believe it did happen. This was our proposal.

But on the overall, when you took the complete cost factor of the package we offered, it was in every instance an increase to the employees. I want to see a contract to the contrary, sir.

Senator CURTIS. I thought you said it was true, that you offered a contract that would mean a reduction in wages.

Mr. HOFFA. I said, and I just repeated it, that we did offer a contract that had a basic hourly different rate, because the lesser hourly rate was reflected in the fringe benefits which ultimately, as an overall factor, cost more to that employer.

But the basic hourly rate could be less to keep in line competitive rates and ultimately, when we leveled them off to 40 hours, we could negotiate an across-the-board increase without having high and low rates on an hourly basis.

Senator CURTIS. I am glad you agree, because that was stated here under oath that you offered a contract to—

Mr. HOFFA. I read that transcript and he didn't tell you the last part of it.

Senator CURTIS. Clark.

Mr. HOFFA. He didn't tell you the last part of it, did he, Senator?

Senator CURTIS. Yes, he did.

Mr. HOFFA. No, he didn't. I read the transcript and he didn't say anywhere in there the question of welfare fund, pensions, vacations, holidays, welfare, would have offset the hourly rate.

Senator CURTIS. He said that had nothing to do with it.

Mr. HOFFA. That is a contract cost.

Senator CURTIS. He said he selected very well qualified drivers and committed to them important business and policymaking decisions and was paying them more than your schedule and they had to take a reduction in wages.

Mr. HOFFA. Of course it wasn't true, and you know it.

Senator CURTIS. Yes, it was.

Mr. HOFFA. It wasn't true, and I will be happy at my expense to have a CPA go down and disprove your statement.

The CHAIRMAN. Are there any other questions from the Senators at the moment?

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Chairman, just going back briefly to the matter of yesterday, could we find out from Mr. Williams whether he did in fact go to see Martin O'Donoghue on this matter.

Mr. WILLIAMS. I would like to have the testimony of this witness completed. I will be very happy to testify fully and completely with respect to any questions that you want to ask me.

Mr. KENNEDY. I thought we might straighten that out. You suggested that you would have the information.

Mr. WILLIAMS. I will be glad to furnish that information to the committee from my files, as to all the times I saw Mr. O'Donoghue and for what purpose.

The CHAIRMAN. Mr. Williams, if you don't want to answer now, I will not force you to.

Mr. WILLIAMS. I am sure I saw Mr. O'Donoghue many times prior to the hearings in November. I am sure that we discussed the continuance, because we were always trying to settle the issues involved in the petition of the monitors to the court.

If you want specific dates, I can get those for you, I assume.

The CHAIRMAN. There was some question here about a particular instance in which you went to see him to get the case continued, or a matter continued.

Mr. KENNEDY. This was after the meeting.

The CHAIRMAN. If you don't want to clear it up, it is all right with me.

Mr. WILLIAMS. Just a minute, Mr. Chairman. There isn't any basis for the inference that I don't want to clear it up. I do want to clear it up. But I don't have the records here with me today.

The CHAIRMAN. You want time to look at your records?

Mr. WILLIAMS. That is right.

The CHAIRMAN. Very well.

Proceed.

Mr. KENNEDY. Mr. Hoffa, also on that incident, there was some testimony here before the committee in connection with Mr. Owen Bert Brennan. You made a statement about Mr. Owen Bert Brennan that evening, in which you stated, according to Mr. Crum's testimony, that Mr. Brennan would not be tried.

Mr. HOFFA. I don't think he said that. Let's get the record. I read the record last night. He didn't make that statement you just made.

Have you got the page?

Mr. KENNEDY. Yes. Page 1916.

Mr. CRUM. Yes. He mentioned the fact that Mr. Brennan had called him and said that he, Brennan, would not stand still for a trial, that if he were called or indicted or tried he would spill his guts on Hoffa, and Hoffa said that he told him to keep his shirt on, that nothing was going to happen.

Mr. HOFFA. I don't care what Crum put in, and I am not going to recall from memory what I said at this particular moment and get involved in you trying to get me a perjury charge.

Therefore, I say to you that I do not recall the conversation, although I question whether I ever made the statement or not.

Mr. KENNEDY. Do you think it is possible that you did make the statement?

Mr. HOFFA. I don't believe it.

Mr. KENNEDY. Do you——

Mr. HOFFA. I don't recall it and don't believe it, sir.

Mr. KENNEDY. Will you deny that you made the statement, Mr. Hoffa?

Mr. HOFFA. I have answered your question, sir.

Mr. KENNEDY. Will you deny that you made the statement?

Mr. HOFFA. I have answered your question, sir.

The CHAIRMAN. He said he didn't deny it, but he didn't believe that he did. That is the record.

Proceed.

He wouldn't deny it.

Mr. KENNEDY. We will have to let it stand.

In connection with this alliance, or this conference with the Longshoremen's Union, is it your feeling that this will strengthen the position of the Teamsters?

Mr. HOFFA. You are either naive or trying to get a headline, because you know full well that if we have a concerted action between transportation unions, it will necessarily benefit the rank and file of the Teamsters and the Longshoremen on the east and west coasts.

Mr. KENNEDY. Now, does it concern you at all that the leadership of the Longshoremen's Union were expelled in 1950 by organized labor because they were Communist-dominated?

Mr. HOFFA. Mr. Kennedy, I am very familiar with politics in organized labor leading to the expulsion not only of the ILWU but the Teamsters. I don't believe what the facts were except for Walter Reuther's political influence in the CIO, and his hope that he will be able to destroy militancy in the organized labor movement by ousting certain unions who he claimed were Red, yet which the U.S. Government to this day has not proved were Red; that is the old UE which the FBI just removed from the roll as claiming they were Communist-dominated, as Harry Bridges, who has never been convicted by a court, and as other unions operating in this country.

Mr. KENNEDY. This was a report, Mr. Chairman, of the executive committee appointed by President Murray to investigate charges against the International Longshoremen's and Warehousemen's Union. Their findings were that the ILWU—

has consistently and without a single deviation followed the sharp turns and swerves of the Communist Party line and sacrificed the economic and social interests of its membership to that line.

Mr. HOFFA. Will you read the last, please? You said something about economic.

Mr. KENNEDY (reading):

The ILWU has consistently and without a single deviation followed the sharp turns and swerves of the Communist Party line and has sacrificed the economic and social interests of its membership to that line.

Mr. HOFFA. Of course you know that is ridiculous because they have the highest hourly wage for their people in their classification that you will find. You know it is ridiculous. They have a pension and welfare and a very wonderful medical center for the people. They just recently built a beautiful hall.

Mr. KENNEDY. The Teamsters up at least until 1957, January 1957, had also followed a very critical position of the Longshoremen's Union on the west coast, and held that Harry Bridges and that union were following the Communist line.

Mr. HOFFA. I am not responsible again for politics in our union, and I tell you that the worst mistake that was ever made when our international union was not recognizing the fact that they were membership human beings and not cattle, and we were not supposed to go out and try to destroy their union based on some phony contention of somebody desiring to raise an issue that was good for newspapers and disrupt that union. That is what happened in our union not trying to correct it.

Mr. KENNEDY. Is there any question in your mind that Mr. Goldblatt is a Communist, Mr. Hoffa?

Mr. HOFFA. I don't know whether he is or not, but that is not the question. If I am dealing with Goldblatt I deal with Goldblatt like our Secretary Herter deals with Khrushchev, on the basis of what is good for the American worker, the American citizen, and I am not in bed with him.

Mr. KENNEDY. I don't think the comparison quite holds.

Mr. HOFFA. That is what you think.

Mr. KENNEDY. This is, of course, the question of Mr. Goldblatt being active here in the United States rather than any place else. Let me read you the editorial in the December 1956 issue of the Teamster magazine: "Here Is Where We Stand". It is talking about the fact that the Longshoremen on the west coast might make an alliance with the Longshoremen on the east coast.

Mr. HOFFA. You might tell me who signed it.

Mr. KENNEDY. I expect probably Mr. Dave Beck.

Mr. HOFFA. That answers it. Go ahead.

Mr. KENNEDY (reading):

Here is where we stand. We are witnessing a new step, a step that could conceivably become a dominant force in the longshore industry in America with a real stranglehold on both coasts—

Mr. HOFFA. It does not concern me for two reasons. It was phony then and now. I told him it was phony then. I voted against it. Dave Beck was ambitious of taking over the ILA on the east and the ILWU on the west. I was not desirous of working with him, not take them over, as I am today. He brought about on the east coast a very serious segregation of labor and brought about expensive elections to the Government, to the AFL-CIO, to the Longshoremen and ultimately each time that election was returned to the ILA and likewise on the west coast. When he was expelled many unions tried to break the strikes, but they always survived because the membership recognized that this union was their union; they could elect their leaders whether it be Bridges, Goldblatt, or anybody else. I still say they have their right.

Mr. KENNEDY (reading) :

If Communist unions ever gain a position to exercise influence in the transport lanes of the world, the free world will have suffered a staggering blow.

Mr. HOFFA. I am not interested in politics and philosophy. I am interested in workers.

Mr. KENNEDY. Do you agree?

Mr. HOFFA. No; I don't agree.

Mr. KENNEDY. Do you know who made that statement?

Mr. HOFFA. I don't know. Probably Beck. It sounds like him.

Mr. KENNEDY. Mr. James Riddle Hoffa.

Mr. HOFFA. Let me see it. Don't read it out of context. Give it to me. Let me read it. I know what I write and what I don't.

The CHAIRMAN. This is an issue of the International Teamster, August 1958. It is on page 2 of that issue, a statement under the title, "Message from the General President: Free Unions and the Free World." In the sixth paragraph it reads as follows:

If Communist unions ever gained the position to exercise influence in the transport lanes of the world, the free world will suffer a staggering blow. The International Brotherhood of Teamsters stands prepared to fight this eventuality to the fullest. That is why we were present at the Amsterdam meeting to offer our help to the world's free transport unions.

It apparently was signed by Mr. Hoffa.

Mr. HOFFA. You just bet.

The CHAIRMAN. I present it to you, Mr. Hoffa. You may comment on it and state if you identify it.

Mr. HOFFA. Yes, sir, and I would like to make a comment that the question propounded by Mr. Kennedy applied to the United States. This applies to the international lanes of transportation in the world and does not apply to the United States. Furthermore, I did send delegates over there to be able to assure ourselves that being affiliated with the ITU that we would be in a position where we would have some power to discuss economic problems that involve free trade unions in the United States and we were fearful at that time that there could be the infiltration of foreign countries, if you please, to take over the ITU, not the American labor movement as we have been discussing here this morning.

The CHAIRMAN. What is the difference between Communists infiltrating the commerce lanes internationally and infiltrating the dock unions in either New York or San Francisco, out on the west coast? What is the difference? Aren't they part of the international transport lanes?

Mr. HOFFA. No, sir.

The CHAIRMAN. They are not?

Mr. HOFFA. There is a very definite difference, and the difference is this, that we have free American trade unions. The countries we are talking about have controlled governmental unions who can put dedicated people in a position that can constantly harass transportation in Europe, that could affect east and west coast shipping. That is what we were talking about, not the question of American unions.

The CHAIRMAN. Mr. Bridges recently testified he would not hesitate to honor a request from some Communist country on the question of not loading ships over here.

Mr. HOFFA. I read his statement. He is talking about Japan. He said in there he would observe picket lines of Japanese people if they were involved in a question of an economic struggle, not a question of Communist domination of the world, sir.

The CHAIRMAN. I did not so read his statement.

Mr. HOFFA. I read it.

The CHAIRMAN. He did not say anything about Japan in his statement.

Mr. HOFFA. I beg your pardon, sir.

The CHAIRMAN. He did not say anything about Japan.

Mr. HOFFA. Yes, he did.

The CHAIRMAN. The question was, would he honor the request of a Communist country with respect to not loading ships. He said he would.

Mr. HOFFA. He said, sir, in his article, and it was brought up by the question of the Japanese dock workers where there was multitudes of employees starving to death, where they are trying to limit the number of dock workers so they can make a living. Furthermore the question was asked him, what would he do in the event any country had asked him to support them. He said he would support them. I say to you it would be the responsibility of the American labor movement that if there was a question concerning the representation of workers, the question of an economic gain for workers, that in all probability the American labor movement in American without exception would support them, recognizing that the imports into this country are gradually destroying the question of the American worker's ability to get increased pay, increased benefits, because he is gradually finding himself in a position that high organized industries are moving their plants there for low wages, low conditions, shipping their commodities back here competing with the plants in this country. That is why we are interested in seeing that the European worker is brought up to our standard of living that will accommodate the American workers standing without stagnating our desire to increase our standard of living for all the workers in America.

The CHAIRMAN. We will not take the time now but I will get the testimony of Mr. Bridges at this hearing where he testified recently, and make the appropriate parts of it exhibit No. 89, and I will make this editorial here which we have quoted No. 88.

(The documents referred to were marked "Exhibits Nos. 88 and 89." and may be found in the files of the select committee.)

Mr. KENNEDY. Then it does not concern you at all about Mr. Bridges' ties with leading members of the Communist Party in the world and the fact that Mr. Goldblatt is identified continuously and repeatedly as an important member of the Communist Party, and that he is the secretary-treasurer of this local with whom you made this alliance?

Mr. HOFFA. I don't know if Harry Bridges is a Communist or whether Goldblatt is a Communist. This is not the issue behind the question of transportation unity. The workers have so elected him among the free democratic rights of American and under the Taft-Hartley law, and they have filed for 10 years, according to Goldblatt's testimony, non-Communist affidavits.

(At this point the following members of the select committee were present: Senators McClellan, Curtis, Ervin, Mundt, and Goldwater.)

Mr. KENNEDY. Would you allow—

Mr. HOFFA. If you think it is wrong, you investigate that.

Mr. KENNEDY. Would you allow a man who is a Communist, who was elected by the membership, to be a Teamster official?

Mr. HOFFA. We don't have any Communists—

Mr. KENNEDY. Just answer the question.

Mr. HOFFA. Just a moment, please—that I know of. But, if the membership saw fit to elect a man who had been tagged—tagged, mind you—as a Communist, who disavowed the fact that he was a Communist, and no proof was presented, under our constitution of the international union we would not be in a position to dislodge him from his elected position. Neither would the court let us do it. However, the provision you are looking for in our constitution is very clear, and it talks about the question of communism, and I helped write the article, so I know it. You don't need to read it to me. I say to you, though, that I am talking about the tagged individuals, and Bridges and Goldblatt are tagged, tagged.

Mr. KENNEDY. What do you mean? There is no question about Mr. Goldblatt, although there can be a question about Mr. Hoffa. There is no question about Mr. Goldblatt.

Mr. HOFFA. Don't say anything about Hoffa. There is no question about Hoffa. Don't you say that, either. Don't you say that I am a Communist or even affiliated with one. You said that enough around this country. I want the American press to know that I resent the fact that there is any inference that I am a Communist, that I am associated or controlled by Communists, and don't use this as a sounding board for headlines for that purpose. I appeal to the Chair that that be taken out of the record, and that nobody cast any aspersions on my loyalty to this country. I object to it, sir.

The CHAIRMAN. Just a moment.

Mr. KENNEDY. I was talking about Mr. Bridges and Mr. Goldblatt.

Mr. HOFFA. Don't put me in their class.

Mr. KENNEDY. I said although there might be some question, and I said Mr. Hoffa, instead of Mr. Bridges. I meant, although there might be some question about Mr. Bridges, there is absolutely no question about Mr. Goldblatt. Evidently you agreed to the same thing, Mr. Hoffa—wait a minute—or else you would not have said, "Don't put me in their class."

Mr. HOFFA. Don't you put me in a class that they are tagged, that is what I said, and I said, "tagged." I want to have, if you will, sir, the record cleared, that there are no aspersions of me being associated with, or controlled, with the Communist Party in America.

The CHAIRMAN. As of now there is no such implication. If there is, we will read the record back and straighten it out.

Mr. HOFFA. Thank you, sir.

The CHAIRMAN. Is there any such implication?

Senator MUNDT. Mr. Chairman, I think the counsel used the name of Hoffa when he intended to use the name of Bridges.

Mr. KENNEDY. I stated that. That is on the record.

Mr. HOFFA. I would like to have it corrected.

The CHAIRMAN. The record is so corrected at the point where he used the name of Hoffa, that he meant the name of Bridges.

Is there any other straightening out to do?

Mr. HOFFA. No, sir. I am happy that that is cleared, so we don't make any more speeches around the country using this committee as a sounding board about Hoffa.

Mr. KENNEDY. I am certainly going to discuss the fact that you have made an alliance with Mr. Bridges and Mr. Goldblatt.

Mr. HOFFA. And you are going to get good and sued, too.

Mr. KENNEDY. And the fact that they have been associated with the Communist Party.

Mr. HOFFA. You will be sued as Mr. Bufalino sued you.

Mr. KENNEDY. And that you made an alliance with them. I think it is a very critical situation. I would like to quote to you from Mr. Bridges' statement in connection with this alliance:

There is one thing I know. The Teamsters and the two dock unions get together, they would represent more economic power than the combined AFL-CIO.

Would you agree on that? Do you agree on that?

Mr. HOFFA. I don't disagree.

Mr. KENNEDY. They are so concentrated that an economic squeeze and pressure can be exerted that puts any employer in a very tough spot, and furthermore, it puts the U.S. Government on a tough spot. Would you agree with that?

Mr. HOFFA. I think you must recognize what he is talking about, the U.S. Government. He is not talking about something subversive. He is talking about the fact that there was a dockworkers strike and transportation become involved in it as such. It could inconvenience the American Government through its citizens of the United States. That is what he is talking about.

Mr. KENNEDY. Would you agree with that?

Mr. HOFFA. I will agree that it could inconvenience the citizens of the United States, which makes up the United States.

Mr. KENNEDY. Then we go back to the fact that this is in the field of transportation, and the fact that in August of 1958 you made the statement:

If Communist unions ever gain the position to exercise influence in the transport lanes of the world, the free world will have suffered a staggering blow.

Mr. HOFFA. So again we are talking about the question of Communist-dominated countries who may try to send delegates to the convention.

Mr. KENNEDY. That is not what that says.

Mr. HOFFA. Yes, it is. You are trying to read something in there that is not there. You are reading a section out of the article which is not the whole article. It might be well if this committee, though I may miss my plane, for the edification of the people in this room to have the whole article read.

The CHAIRMAN. The whole article has been made an exhibit to the testimony.

Mr. HOFFA. Unfortunately the American people will not hear it.

The CHAIRMAN. Any part that you want to read, we will take time to read it.

Mr. HOFFA. I would like to read it all, every bit of it.

The CHAIRMAN. There it is. Proceed with the reading of it.
(The document was handed to the witness.)

Mr. HOFFA (reading):

MESSAGE FROM THE GENERAL PRESIDENT

FREE UNIONS AND THE FREE WORLD

In late July, a six-man delegation from the Teamsters Union attended a meeting of the International Transport Workers Federation in Amsterdam.

At this meeting we pledged our full support to the ITF in its fight for free trade unions and the betterment of conditions for workers throughout the world.

This fight comes at a crucial time in world history. The world of Asia, Africa, and the ocean islands is awakening. Men everywhere are rising up to throw off the bonds of poverty and ignorance, of economic and political servitude. Free trade unions must lead this fight. They must continue to grow in strength and dedication to this task.

It is this very awakening in the hearts of workers that communism has exploited. Yet, the promises which communism holds out to them are empty promises. Free trade unions have only one objective: to help the worker become a man of dignity and freedom. Communist unions have a different objective: to use the worker as the tool of his own enslavement.

The position of your officers on the Communist question is well known. We stand militantly opposed to communism as the most reactionary force ever to mislead the worker. We believe that the strength of Communist unions can be dispelled only by strong and effective action by the free trade unions of the world.

We pledged to the ITF that we would support this goal to the limit of our abilities. We pledged that America's new conference on transportation unity would be a strong force in this fight for freedom. Assuring powerful anti-Communist strength and leadership in America's transport industry, we promised the ITF that one of our main objectives would be to lend the free trade unions of the world a helping hand in our ports and on our docks.

If Communist unions ever gain the position to exercise influence in the transport lanes of the world, the free world will have suffered a staggering blow. The International Brotherhood of Teamsters stands prepared to fight this eventuality to the fullest. That is why we were present at the Amsterdam meeting—to offer our help to the world's free transport unions.

Just as cooperation is essential at home, so it is abroad. Just as Hungary's free trade unions led the ill-fated revolt and wrote a proud chapter in the story of freedom, so shall the rest of the world's free unions continue to stand in the forefront of the fight against tyranny in any form.

But communism is not the only enslaver. So is poverty. We also pledged to the ITF our fullest support in the efforts of these free transport unions to achieve a full measure of human dignity and economic security for workers all over the world.

Several months ago we contributed \$5,000 to the ITF to support a strike of London's bus workers. This was a strike in which all unions had a stake. A defeat for this union would have hindered the efforts of all unions to build a better life for their membership. But the strike was won.

Men everywhere have the same dread of poverty and insecurity. If the free world, and the world's free trade unions, fail to alleviate the problems of workers in an awakening world, they will listen to the empty promises of communism. This must not happen. This is why we are pledged to support the ITF.

Signed J. R. Hoffa, General President.

I think the record is now clear that we are talking about free trade unions, not Communist-dominated unions.

The CHAIRMAN. All right. The article has been read in full into the record. Proceed.

Mr. KENNEDY. Did Captain Bradley raise some question about making this alliance?

Mr. HOFFA. Yes.

Mr. KENNEDY. In view of the fact that he felt Mr. Bridges followed the party line?

Mr. HOFFA. Yes, he did. He raised a question in my office where, for your information, and I know you have the information——

Mr. KENNEDY. Thank you.

Mr. HOFFA. That I was called by Captain Bradley to arrange a meeting of the west-coast and the east-coast Longshoremen, because the east coast Longshoremen's executive board was split on the question of whether or not they should attend a meeting with the west-coast Longshoremen's Union.

I took it upon myself as a neutral third party interested in both organizations to call this meeting. At this particular meeting, Captain Bradley very readily stated for the record at the outset of the meeting that he was there as an individual with Teddy Gleason and not there representing their organization, because he had no authority to speak for their organization, and that furthermore, he wanted us to know that they had not forgotten some of their board members, many of the old sores, where they had had internal fights with the Longshoremen's west coast union, where allegedly they had tried to raid the east coast Longshoremen.

I, chairing the meeting, tried to hold in line and did hold in line, if you please, the conversation to the extent that we were finally able to discuss the question of containization, the question of what could disrupt activities on the east-coast and west-coast docks, to where you could have a strike that will affect the United States, and out of that discussion, I feel confident, came an understanding between the east coast, the west coast, that we may be able to avert a strike in the United States, and if for no other reason it was a worthwhile meeting for that particular purpose.

Mr. KENNEDY. Mr. Hoffa, did Captain Bradley raise some question about entering into an alliance, as I asked you at the beginning——

Mr. HOFFA. I just told you that Captain Bradley said that he did not have the authority of his executive board to be able to speak for ILA in any kind of a question, whether it be contract negotiations, joint expiration date, or meeting in a question of the merger or of any other question, but that he would always respond to a meeting called by the Teamsters general president, recognizing that we have an equity in what happens on the east or the west coast.

Mr. KENNEDY. Did he raise a question about not entering into an alliance with the Longshoremen's Union of the west coast because it was Communist-dominated?

Mr. HOFFA. He did not raise that particular question; I don't believe he raised that question; he said that some of their members were opposed, and some of their officers were opposed, to the question of entering into a pact with Bridges because of the alleged Communist ties.

Mr. KENNEDY. What did you say?

Mr. HOFFA. I said that they should attend meetings regardless, if they would listen to my suggestion, because whether it is Harry Bridges on the west coast or Goldblatt or Bradley and Gleason on the east coast, a strike will affect both coasts.

Mr. KENNEDY. Mr. Chairman——

Mr. HOFFA. Pardon me, sir. It may interest you: At that particular meeting, since you have asked about it, it was brought out by the east coast and the west coast that the negotiators for the industry are constantly meeting, and whatever is proposed today on the west coast at the next meeting becomes a proposal on the east coast.

Whatever is proposed on the east coast becomes a proposal on the west coast, and when they put together what they have been offered by the employers as off-the-record conversations about commitments, you can imagine the east was the west and the west was the east, because the employers are airtight in their demand on the question of containerization.

Mr. KENNEDY. Mr. Hoffa, would you listen to my questions?

Mr. HOFFA. I heard your question.

Mr. KENNEDY. You listen to my questions from now on and answer the questions.

Mr. HOFFA. And don't ask about meetings and I won't have to tell you about meetings.

Mr. KENNEDY. All I asked was whether he raised the question. The answer is "Yes" or "No."

Mr. HOFFA. It isn't that simple. I don't think the Chair would require an answer of "Yes" or "No" that doesn't require an explanation.

The CHAIRMAN. The Chair is going to permit the witness rather broad room to exercise in answering questions. Of course, the proper way to do it is to answer "Yes, but," or "Yes, although," and then make the explanation.

If you want to answer it the long way around and then say "Yes" or "No," all right. Proceed.

Mr. HOFFA. May I have a minute, sir?

Mr. KENNEDY. I would like to have a responsive answer. I don't mind how long it is, if it is responsive.

The CHAIRMAN. Did he raise the question about the Bridges union being Communist-dominated?

Mr. HOFFA. I said, sir, that he did. I said that some of his members raised the question.

The CHAIRMAN. Now you have the affidavit from whom?

Mr. KENNEDY. Captain Bradley.

The CHAIRMAN. The affidavit may be made exhibit No. 90.

(Affidavit referred to was marked "Exhibit No. 90" for reference, and may be found in the files of the select committee.)

Mr. KENNEDY. Could I read a section of it?

The CHAIRMAN. Yes.

Mr. HOFFA. I would like to answer what you are saying.

Mr. KENNEDY. The affidavit says [reading]:

Your deponent states that, in June 1959, Mr. Louis Goldblatt, secretary-treasurer of the International Longshoremen's & Warehousemen's Association, requested that a meeting be arranged between officers of his union, including Mr. Harry Bridges, Mr. Louis Goldblatt, and officials of the International Longshoremen's Association, including myself and Thomas Gleason, Sr. I refused to meet with Mr. Bridges and the officials of the ILWU.

I did, however, tell Mr. Goldblatt that, if James R. Hoffa, president of the Teamsters, called a meeting and was also present then I would attend such a meeting even though I knew Bridges and Goldblatt would be there, too. I authorized him to tell that to Mr. Hoffa.

Shortly thereafter Mr. Goldblatt of the International Longshoremen's & Warehousemen's Union requested that Mr. James R. Hoffa, general president of the Teamsters Union, arrange such meeting. At Mr. Hoffa's request, your deponent and Mr. Thomas Gleason, Sr., the general organizer of the ILA, met with Mr. Harry Bridges and the three other officials of the ILWU, on Monday, June 22, 1959, in the office of James R. Hoffa, general president of the International Brotherhood of Teamsters, in Washington, D.C.

Your deponent desires to explain that, during the union's last contract with employers, there had been "all kinds of rumors of secret deals with Bridges." That the union's existing contract expires September 30, 1959, and preliminary talks and negotiations are expected to begin shortly after the end of the ILA presidential convention, which is scheduled for July 13 to July 17, 1959, in Miami Beach, Fla.

Your deponent desired to clear the atmosphere and to clear the decks for clean contract negotiations and wanted no repetition of the rumors that he was entering into any agreements, secret or otherwise, with the ILWU, headed by Harry Bridges.

At the meeting in James Hoffa's office in Washington, D.C., your deponent made it crystal clear to Harry Bridges, in the presence of James R. Hoffa, that he wanted nothing further to do with any pact, arrangement, or alliances with Harry Bridges or his union, the ILWU, while it is controlled or dominated by Harry Bridges. The principal basis for your deponent's opposition to such alliance, pact, or negotiations, is that the ILWU is Communist dominated, and deponent does not feel it is to the best interests of labor or the security of the Nation that such alliances be made with any Communist-dominated union, particularly in the control of such strategic areas as maritime transportation.

WILLIAM V. BRADLEY.

Mr. HOFFA. You probably drafted it for him. I don't think the captain drafted it.

(At this point Senator McClellan withdrew from the hearing room and Senator Kennedy entered the hearing room.)

Mr. KENNEDY. Is that the best answer, Mr. Hoffa?

Mr. HOFFA. Yes.

Senator ERVIN. I have a little difficulty accepting your theory that the union whose members are engaged in the loading and unloading of ships which ply the seven seas are not concerned with the transport lanes of the world or international lanes, if you prefer that term.

Mr. HOFFA. Senator, I may say to you that if you would, and we can get a survey together for you, if you would recognize what is happening to shipping in the United States, and I think Joe Curran can talk more about this than I can, or Paul Hall. I have listened to both of them. If you would listen to them talk about what is happening to the ships on the ocean you would worry more about the security of this country than you worry about a few workers who are Americans getting together to discuss economic problems, because more and more our shipping of this country is being handled by foreign vessels that prior to this time were American vessels.

More and more our American workers are being displaced for one reason only: because of the economic gains to the employers. And ultimately and eventually if this is allowed to pass we won't have any merchant marine in this country; they will be coming in foreign ships, and if we have trouble on an international scale, sir, we would find that we would have to first build ships if those countries who maintain those ships become unfriendly to us.

Senator ERVIN. I think I have consistently voted for every measure that was designed to keep American merchant marine on the sea, but that is not the point I was trying to make.

You said, as I understand, the members of the ILWU are engaged in the loading and unloading of the ships which carry the commerce of the world on the seven seas?

Mr. HOFFA. Yes, sir.

Senator ERVIN. I was just observing that I cannot accept your thesis that men of a union whose membership are engaged in the performance of that task are not directly related to the transport lines of the world, of international transport lines.

I think they are directly concerned with it.

Mr. HOFFA. We agree, sir; you are right. That is why we are trying to maintain the IBT where the free trade unions can belong to it.

Senator ERVIN. I am under the impression that Goldblatt is the secretary or secretary-treasurer of the International Longshoremen's Workers Union which operates and does this work on the west coast?

Mr. HOFFA. Yes, sir.

Senator ERVIN. I am also impressed with the fact that Goldblatt was here before this committee last week on his oath and when he was asked whether he is a member of the Communist Party he took refuge behind the fifth amendment.

Mr. HOFFA. I know also, I read his testimony, sir. But he stated that the best proof of his being a Communist was the fact that he signed for 10 years, I believe, a non-Communist affidavit with the Federal Government which if it was untrue would subject him to jail and to imprisonment.

Senator ERVIN. He was asked if he was bound by that affidavit?

Mr. HOFFA. Yes.

Senator ERVIN. When he was asked whether the statements he made in the affidavits were true, he again took refuge behind the fifth amendment.

Mr. HOFFA. I assume because there were many implications in the question that could open the door up than your question of signing or not signing it.

Senator ERVIN. If the committee were to put the question to you or myself as to whether we are members of the Communist Party, I think you and I both would vehemently deny we were.

Mr. HOFFA. No question about it.

Senator ERVIN. And we would not take refuge behind the fifth amendment.

Mr. HOFFA. I cannot speak for Goldblatt, sir.

Senator ERVIN. It causes me a grave concern to see a man who occupies as high a position as Goldblatt does in that union to take refuge behind the fifth amendment when he is asked whether he is a member of an organization which is dedicated to the proposition that the Government of the United States ought to be overthrown by force and violence regardless of the wishes of the people of America.

Mr. HOFFA. Sir, that was the Un-American Activities Committee in a great many of their hearings. It is from my recollection that the reason many individuals seek the fifth amendment protection, not that they themselves are Communists, but they may have somewhere in the past known some individuals whom they did not want to embarrass or name publicly, that is the reason they take the fifth amendment.

(Members of the select committee present at this point in the proceedings: Senators McClellan, Kennedy, Ervin, Goldwater, and Curtis.)

Mr. HOFFA. I believe that to be a fact, as I have read in many articles and many statements.

Senator ERVIN. Well, I cannot understand how that has any relation, though, to the fact when you put the direct question, "Are you a member of the Communist Party at this particular moment?" as was put to Goldblatt by this committee last week, that he took refuge behind the fifth amendment.

Mr. HOFFA. Well, if you had guaranteed, I suppose, that he would not have to answer any other question, he may have given a yes or no answer. I can't say for him.

Senator ERVIN. The only guarantee that I could give if somebody put that question to me is that I would never take refuge under the fifth amendment.

Mr. HOFFA. I wouldn't either.

Senator ERVIN. I would deny it with all the vigor at my disposal, just as I think you would.

Mr. HOFFA. That is right.

Mr. KENNEDY. What is your status with the ITF now?

Mr. HOFFA. We have left the ITF.

Mr. KENNEDY. Were you expelled?

Mr. HOFFA. We were not. We withdrew.

Mr. KENNEDY. Did they request that you withdraw?

Mr. HOFFA. We discussed the matter with Omer Becu, and because of the dissension that was being created in that organization by the AFL-CIO concerning our being part of it, we withdrew, because we did not want to disrupt it.

However, I may say to you, we are still cooperating as though we were part of the ITF today.

Mr. KENNEDY. Do you know, Mr. Hoffa, about the \$11,000 that was sent to help Mr. Gus Brown in his organizing drive?

Mr. HOFFA. I know something about it; yes.

Mr. KENNEDY. When that money was furnished to him, was it known that he had been an important functionary in the Communist Party in California and had been expelled from organized labor because of the fact that he had Communist affiliations?

Mr. HOFFA. I don't know if Gus Brown is a Communist or not, but I do know that there have been some allegations, some statements made, and he was expelled.

But again I say to you our local union 208 became involved in a joint organizing campaign, and Gus Brown, having the inside employees, and I believe we had the drivers, warehouse and dock workers, we became involved in a situation with him, and necessarily out of that involvement came certain expenditures. I was requested by our local union to send \$11,000 to the local union for their share of that fight, and I believe if you will look at the letter, and I can't recall from memory, this is what happened in the \$11,000 transaction.

Do you have a letter there from John?

Mr. KENNEDY. I think what you say summarizes the situation, that there were some discussions, evidently, that preceded the organizing drive.

Mr. HOFFA. I think it was the Sahara Furniture Co., if I remember right.

Mr. KENNEDY. There was some discussion about that, and then the \$11,000 was ultimately sent.

Mr. Hoffa, doesn't it interest you, the background of this individual, that he had been expelled from organized labor because of his Communist affiliations, that he was an important functionary in the Communist Party in the State of California, that he was expelled, that he formed this independent union, and then the Teamsters began at least to help finance his activities?

Mr. HOFFA. I am concerned that an individual representing an organized unit which can have an effect on the Teamsters has sufficient support to change the economic structure of low-paid workers into a decent standard of living. And whether or not Gus Brown, allegedly a Communist, on whom I have no knowledge one way or another, was the head of that union is the choice of the workers, not the choice of Hoffa.

Therefore, as Khrushchev again, it is necessary that we deal with the head of the union because we can't deal with each rank and filer.

Mr. KENNEDY. You gave him \$11,000.

Mr. HOFFA. No; I didn't. Don't you say that. You get my letter and show me where I gave him \$11,000. Give me that letter, if you will.

Mr. KENNEDY. The International Brotherhood of Teamsters?

Mr. HOFFA. Give me the letter. Show if I didn't send it to 208.

Mr. KENNEDY. We knew that 208—

Mr. HOFFA. Wait a minute. Did I send it to 208?

Mr. KENNEDY. Mr. Hoffa, let me say that you sent it to him indirectly.

Mr. HOFFA. No; I did no such thing.

Mr. Chairman, again I would appreciate having the correspondence where he is alleging there is something improper about it, and let us read it to the public.

The CHAIRMAN. Is this the letter relating to it?

Mr. KENNEDY. We have a number of documents. Maybe Mr. Salinger could put in various documents.

The CHAIRMAN. Let us put the documents we have into the record, and then we will present them to Mr. Hoffa.

Mr. Salinger, you have been previously sworn?

Mr. SALINGER. I have.

TESTIMONY OF PIERRE E. G. SALINGER—Resumed

The CHAIRMAN. In the course of your investigation into this particular subject matter, what documents have you regarding an \$11,000 loan or gift or advance made to Mr. Brown from either Mr. Hoffa's local or the international or some other branch?

Mr. HOFFA. The check came from the international, sir, to local 208.

Mr. SALINGER. First, Mr. Chairman, I have in front of me what is already committee exhibit No. 7 in a previous hearing, the Los Angeles Teamsters' hearing, that we held in February of this year.

At that time we put into evidence this letter, which was a letter from John W. Filipoff, who was then secretary-treasurer of local 208, to Harold Gibbons.

The CHAIRMAN. Let me have the letter.

Mr. KENNEDY. Why not just read the pertinent part?

The CHAIRMAN. All right.

Mr. SALINGER. I will read the pertinent part of the letter:

Some while ago Dick Kavner advised me that he had informed you—
he is writing to Mr. Gibbons—

concerning the wish of Gus Brown, of the Furniture Workers' Union here in Los Angeles, to discuss possible affiliation or merger of certain of his people with the Teamsters. Dick indicated that he would advise him that Bill Griffin would be in Los Angeles shortly and he would discuss this matter with Gus Brown.

It goes on to say:

Brown has indicated that he would be willing to meet with you in Washington at his own expense for the purpose of exploring and possibly settling this problem.

To this letter Mr. Filipoff received an answer on April 7, 1958, from Harold J. Gibbons, saying:

I have your letter of April 2 on the matter of Gus Brown and the Furniture Workers Union, and if he can arrange his affairs to be in Washington on Tuesday or Wednesday, I am sure both Jim and I can talk to him. I will also try to arrange to have Griffin at the conference.

**TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL,
EDWARD BENNETT WILLIAMS—Resumed**

Mr. HOFFA. May I answer that question so we can keep in line that statement be made?

The CHAIRMAN. Pass these to Mr. Hoffa, if he wishes to see them. This is the previous—

Mr. HOFFA. I can answer the letter, sir, without seeing it, if you want, to save time.

The CHAIRMAN. All right.

Mr. HOFFA. There was a meeting in Washington with Gus Brown. I participated in the meeting.

Gus Brown explained his situation. I personally turned down Gus Brown's application for a charter.

Mr. KENNEDY. Why?

Mr. HOFFA. Because I did not want to get involved in the question of the Upholstery Workers Union or the Woodworkers Union, who both international unions we work in conjunction in organizing campaigns with, and felt that if I took in Brown into the Teamsters Union, we would be in conflict with our understanding with those two international unions.

Mr. KENNEDY. Did you recommend that Brown be taken in either of those two unions?

Mr. HOFFA. Brown told me he was going to visit with both unions. What he did, I don't know. But I told Brown I thought that is where he would belong, not in our international.

Mr. KENNEDY. Did you or Mr. Gibbons make arrangements for him to see officials of that union?

Mr. HOFFA. Maybe we did. I wouldn't say if we did or we didn't. It is just conceivable that we did. I wouldn't hesitate to do it today, if I thought it could be arranged.

The CHAIRMAN. What other document have you?

Mr. SALINGER. Following that meeting in Washington, D.C., local 208 of the Teamsters in Los Angeles entered into a joint organizational drive with local 123 of the Furniture Workers, headed by Gus Brown. The fact that the international had knowledge of this joint organizational drive is borne out by a letter dated October 7, 1958, from Mr. John W. Filipoff, secretary-treasurer of local 208, to Mr. Larry Steinberg, Teamsters International Union, 25 Louisiana Avenue NW., Washington, D.C. That was secured from the files of local 208 in Los Angeles and states, in part:

Consistent with our prior discussions concerning this matter, we request the international funds in the total sum of not less than \$6,042.09, to reimburse local 208 and local 123 for the above-described organizational expenses incurred to date.

The CHAIRMAN. Where did that come from?

Mr. SALINGER. From local 208 in Los Angeles, Calif.

The CHAIRMAN. That may be made exhibit No. 91.

(Letter referred to was marked "Exhibit No. 91" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. They sent the letter to reimburse the two locals?

Mr. SALINGER. That is correct, sir. The letter also said:

Local 123 is pressed for ready cash, and as I told you today, our local 208 treasury also has been hard hit recently. Your prompt attention to this request would therefore be greatly appreciated.

The CHAIRMAN. Was there a reply to that letter?

Mr. HOFFA. Yes, sir, there was.

Mr. SALINGER. There may have been a reply to that letter. However, we did not obtain it from 208.

Following that letter, in November a second request was made. By this time, local 208, according to the letter sent to Mr. Steinberg, had spent more than \$11,266 on this drive, and they attached thereto a summary of some of these expenses.

I might add that in one column here, it refers to strike benefits, and it says \$5,000 and \$2,000, a total of \$7,000. On their accountant's worksheet from local 208, these are both listed as loans to local 123 of the Furniture Workers Union, headed by Gus Brown.

The CHAIRMAN. Just a moment.

The letter and the statement attached to it may be made exhibit 91-A, and the worksheets that you referred to may be made exhibit 91-B.

(Documents referred to were marked "Exhibits 91-A and 91-B" for reference, and may be found in the files of the Select Committee.)

Mr. HOFFA. Except the fact, sir, you are now talking about the question of a letter, which I answered, and now you are talking about the letter that applies to the first letter, and I can answer it very simply.

The CHAIRMAN. Go right ahead.

Mr. HOFFA. Under the letter that came into my office from Filipoff, based on Steinberg's discussion, who was my personal representative in the field, based upon my knowledge of the situation talking to Filipoff, I knew that if one union failed, the other must necessarily fail.

If the one union ran out of money, which was the Woodworkers Union, we had money. When Filipoff wanted to have money suffi-

cently to be able to conduct this strike, even though part of that money was going to be loaned to Brown, we did not hesitate to give Filipoff his money, because the strike must be won, whether it was Brown or the Teamsters, because we were one and the same people with this particular strike.

The CHAIRMAN. All right.

Proceed with your other documents.

Mr. KENNEDY. Mr. Salinger, how many Teamsters were involved in this drive?

Mr. SALINGER. It is my understanding that the total amount of Teamsters to become members were not more than 10.

Mr. KENNEDY. Is it correct that Gus Brown was expelled from organized labor because of his Communist affiliations?

Mr. SALINGER. That is correct.

Mr. HOFFA. May I—

The CHAIRMAN. How long before?

Mr. SALINGER. I have the dates in my file, Senator, but I believe it was 1950 or 1951. About the same time Mr. Bridges was expelled.

The CHAIRMAN. You get that and we will insert it into the record.

Mr. KENNEDY. He formed his own independent union. The parent union was trying to get the membership out.

Mr. SALINGER. He took the membership and the funds.

Mr. KENNEDY. And there was altercation in that period?

Mr. SALINGER. There was a long legal proceeding which went 4 or 5 years, after which the Furniture Workers International recovered some \$27,000 in funds from Mr. Brown's local, as belonging to the International Union.

The CHAIRMAN. Mr. Hoffa.

Mr. HOFFA. I would like to say, sir, we don't evaluate money based on human lives. Ten people in our organization are just as important as 10,000; \$11,000 or \$111,000 is available to any 10 members of our union if it is an economic fight with an employer.

The CHAIRMAN. I understand.

Go ahead.

Mr. SALINGER. In response to the fiscal request of Mr. Filipoff, on January 7, 1959, Mr. John English wrote a letter to John Filipoff, which said:

Your letter of December 30, 1958, with respect to the organizing campaign in the furniture industry in Los Angeles, which letter had been addressed to Mr. Hoffa, has been referred to this office for disposition.

As approved by the office of the general president, the international hereby makes payment in the amount of \$11,000 to local union No. 208, to conclude its drive in this campaign. This payment is evidenced by the enclosed check.

Fraternally yours,

JOHN F. ENGLISH,
General Secretary-Treasurer.

The CHAIRMAN. That may be made exhibit 91-C.

(Exhibit No. 91-C was marked and filed for reference and may be found in the files of the select committee.)

Mr. KENNEDY. It is clear from the correspondence of 208, at least, part or most of this money then went to Gus Brown and his organization.

In the previous letter to Mr. Steinberg, Mr. Filipoff speaks of the reimbursement of local 123.

So, the money came from the international through 208.

Mr. SALINGER. That is correct.

Mr. HOFFA. So that we may keep the record straight, that is an inaccurate statement which Mr. Kennedy just said. The record as read by Mr. Salinger, and reported by Mr. Salinger, said that 208 had loaned the union strike with the Woodworkers Union the money, did not give it to them; it was a loan.

I have every faith it will be paid back as agreed to when it was loaned.

Mr. KENNEDY. When is it going to be paid back?

Mr. HOFFA. When they are in a position to pay it back. Since we are not a banker we worry more about workers than money.

Mr. KENNEDY. When was the understanding that it was to be paid back?

Mr. HOFFA. I don't know. We held 208 responsible. We did not hold the Woodworkers responsible. We gave them no checks directly to that local union.

Senator KENNEDY. I thought you explained with some indignation, when the counsel said you were responsible for getting the money through 208 to Mr. Brown, I thought you stated that was untrue?

Mr. HOFFA. The way he stated it, I am just as much put out about it because he is trying to imply that the money was sent to the Woodworkers Union, I forget the local number, when it was sent to 208 and 208 saw fit to make a loan to the Woodworkers Union.

If he had said that, I would have no disagreement. That to imply we gave them money is incorrect.

Senator KENNEDY. The only question would be when the money was made available to 208, did you or whoever did make it available to 208, know that it was going to be used as a loan to Mr. Brown's union?

Mr. HOFFA. I don't think from the correspondence we did. I think from the correspondence it was a request of 208 for a donation, the donation was made to them, they distributed it as they saw fit for the benefit of the strikers.

Senator KENNEDY. Mr. Hoffa, it seems to me that if when the loan was made to 208, or gift to 208, that you or whoever made the loan, that you did not know that it was going to Mr. Brown, then I would agree completely the statement was incorrect. Therefore, I would like to ask Mr. Salinger whether the correspondence reveals that the gift of money to 208, that the people who were responsible for the gift, knew that it was going to be used in part as a loan to Mr. Brown's group.

Mr. SALINGER. The correspondence refers to the—saying that local 208 and local 123 had spent so much in these organizing efforts and they wanted the money from the international as per their previous conversations with the international to reimburse 208 and local 123 for expenses.

Mr. HOFFA. That is not what it states, sir. I would like to have the letter read.

Mr. Salinger is deliberately misinterpreting the letter.

Mr. SALINGER. Could we have the letter back? I will read the letter.

The CHAIRMAN. Read the letter into the record.

Mr. SALINGER. This is the letter to Mr. Steinberg from Mr. Filipoff:

Consistent with our prior discussions concerning this matter, we request international funds in the total sum of not less than \$6,042.09 to reimburse local 208 and local 123 for the above described organizational disbursements made by each local to date.

Mr. HOFFA. Will you read the letter of 208?

Mr. SALINGER. This is the letter of 208, John Filipoff's letter to Larry Steinberg—

Mr. KENNEDY. While he is looking at that, may I ask Mr. Salinger a question?

The CHAIRMAN. All right.

Mr. KENNEDY. Isn't it correct that Mr. Gus Brown had a convention, the same individual we are talking about, in June of 1959, and it states on the front of his paper that Hoffa sends best wishes to his convention?

Mr. HOFFA. May I read something in the record so that we can clear it up?

The CHAIRMAN. Did you answer it?

Mr. SALINGER. That is correct.

The CHAIRMAN. Mr. Hoffa.

Mr. HOFFA. We are in the habit of giving fraternal recognition to organized workers in America since it is constituted legally under the laws of America.

On November 14, if you please:

On October 7, 1958, we wrote you about our urgent need for financial help from the international so that we can conclude our organizing drive in the furniture industry Los Angeles.

As of today local 208 has spent more than \$11,166.71 on this drive.

For your information and in support of this request, we enclose an itemization of the amount we have spent on this program since July.

We are still carrying on strikes at two plants so, of course, our need for financial help is urgent. We will appreciate any help possible.

And I approved it, Senator.

The \$11,166.71 was inclusive, according to this letter, of the expenditure of 208. That expenditure may very well have been a question of loans of certain moneys to Gus Brown's union, but was in the itemized statement as an expenditure of 208.

Necessarily it would be and it would necessarily be the responsibility of Filipoff, the secretary-treasurer, to reimburse their local union with a check for the international union, not to Brown.

That is my statement, sir.

Senator KENNEDY. Is the statement, Mr. Hoffa, that you were not aware that as part of that \$11,000 there was this loan to Mr. Brown's union?

Mr. HOFFA. I would like to have the IOC, and you must have it there, it carries my signature, to the secretary-treasurer requesting this check be made out.

Mr. SALINGER. It is part of the exhibit.

Senator KENNEDY. We are trying to find out whether Mr. Salinger deliberately misstated here.

Mr. SALINGER. You understand this was addressed to Steinberg?

Are you talking about the disbursement authorization?

Mr. HOFFA. Yes, sir.

Mr. SALINGER. Of the international?

Mr. HOFFA. Signed by myself.

Mr. SALINGER. Signed by Mullenholz.

Mr. HOFFA. No, it is approval from my office to Mullenholz before the check could be sent out. This would be handled by Steinberg to that point. It finally was approved after discussion. It would come on my desk, I would authorize it. That IOC would be whether it was 208 or somebody else.

Senator KENNEDY. Your statement is when you got the \$11,000 that you were not aware that \$11,000 there was this loan to Mr. Brown's union?

Mr. HOFFA. My understanding was 208, sir.

Senator KENNEDY. Just go to 208. You were not aware it was going to Mr. Brown's union?

Mr. HOFFA. No; based on that letter it was 208, sir.

Mr. KENNEDY. I think we had better get it straightened out.

Mr. HOFFA. Read the first letter. It is for \$6,000.

The second letter is for \$11,000. When the \$11,000 came across my desk I approved it.

Mr. SALINGER. The first letter which requested the \$6,000 spoke about reimbursing local 208 and local 123.

Mr. HOFFA. This letter I didn't see—maybe I can explain so that we can follow the letter, if you please.

The CHAIRMAN. Get through and then I am going to let him go.

Mr. HOFFA. The following letter states they sent a letter on October 7 and I had failed to answer that letter. Apparently Steinberg had not brought to my attention the first letter he received of \$6,000, but when it finally got to \$11,000 he brought this particular letter to my attention and I approved the expenditure.

So I had no letter, even though Steinberg may have had, of the question of Gus Brown being involved in the \$11,000 check.

The CHAIRMAN. All right.

Mr. SALINGER. The second letter of Mr. Steinberg speaks of local 208 spending more money than \$11,000 in their drive. It attaches a financial report which shows the figure of \$7,000 in strike benefits.

That \$7,000 is the loan which was made to local 123.

The CHAIRMAN. It does not show as a loan to 123?

Mr. SALINGER. Not on that letter.

The first letter does speak of reimbursing local 123 for above described organizational disbursements.

The CHAIRMAN. Mr. Hoffa, does local 123 owe you any money?

Mr. HOFFA. They owe 208, sir.

The CHAIRMAN. They owe 208 out of money you advanced 208?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. The record is that the international reimbursed, no, the international forwarded money to local 208, gave money to local 208 which in turn loaned money to local 123.

Mr. SALINGER. That is correct.

Mr. KENNEDY. But the correspondence in the international office shows at the time that the check was sent to local 208 that the international was aware of the fact that some of this money was going to local 123 and Gus Brown.

Mr. SALINGER. That is correct.

Mr. KENNEDY. What position does Mr. Larry Steinberg have?

Mr. HOFFA. He is my personal representative in the field. He speaks for the general president.

Mr. KENNEDY. If we can shorten the answers, I think maybe we can finish.

The CHAIRMAN. By what time?

Mr. KENNEDY. I think we can finish in time, sir.

The CHAIRMAN. You mean it will take us into the afternoon?

Mr. KENNEDY. It might not take all afternoon.

Mr. HOFFA. Mr. Chairman, I have a chartered plane standing by to take me to New York, where I can get a jet out there and still make my meeting in Florida. If the chairman concludes to go through the noon recess, I think it will be appreciated by the international union and also the membership of some 3,000.

I am expected in Florida tonight. I have been on tap for one solid week at Mr. Kennedy's request. I would have been here any day last week. I had continuous reservations on airlines to come in here at his convenience. He knew full well that I had asked to get on last week to get over.

Mr. KENNEDY. I did not, Mr. Hoffa.

Mr. HOFFA. Somebody in your office did. I don't want to accuse you, but somebody certainly knew.

The CHAIRMAN. We have a situation here. Would you not rather go on and get through with this?

Of course, we could not have you here unless we could develop these things so that you would have an opportunity to comment on them or refute them, or make explanations such as you want.

This committee has worked pretty hard. I have not hesitated to work long hours, sometimes in conflict possibly with other duties, trying to expedite these matters.

It is one of those things. Apparently we cannot operate to accommodate the welfare and convenience of everyone concerned. I would like to go on and get through with this.

Mr. WILLIAMS. May I suggest we got on through the ordinary luncheon recess?

The CHAIRMAN. If I can get any Senator to stay here with me, we will continue indefinitely. I will send and get a sandwich and you can do the same. We will just operate until we get through.

Proceed.

If any Senator will stay with me, we will operate continuously.

Senator ERVIN. I do have a luncheon engagement at 1 o'clock.

The CHAIRMAN. If I can get one Senator to stay for a quorum, we will work.

Senator GOLDWATER. I will forgive you; I will stay.

Mr. KENNEDY. What about the employees?

The CHAIRMAN. They can claim overtime or send the bill to Hoffa.

Mr. HOFFA. I will be very happy to pay it, sir.

Mr. KENNEDY. Mr. Hoffa, there were some quonset huts purchased by the union.

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. Will you tell us about the quonset huts?

Mr. HOFFA. There is no history about it. You have all the records. If you will just read them off we can save a lot of time. The summation is this:

There are certain quonset huts bought by 299, my own local union. I think maybe, if my information is correct, those quonset huts were sold to certain individuals. Two of them I bought. Two of them I paid for. The balance of them I can't explain to you where they are or much about them.

The secretary-treasurer handles that relationship, and I can't give you an answer.

(At this point Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. Where did your two huts go?

Mr. HOFFA. They went up to the hunting lodge. Very nice indeed.

Mr. KENNEDY. What is that?

Mr. HOFFA. Hunting lodge.

Mr. KENNEDY. What hunting lodge?

Mr. HOFFA. Lake 13.

Mr. KENNEDY. Who owns Lake 13 Hunting Lodge?

Mr. HOFFA. My wife.

Mr. KENNEDY. Is that all?

Mr. HOFFA. Mrs. Brennan.

Mr. KENNEDY. Where is that located?

Mr. HOFFA. Caspian, Mich., I believe would be the closest city.

Mr. KENNEDY. Who paid for the quonset huts?

Mr. HOFFA. 299, I believe.

Mr. KENNEDY. Local 299?

Mr. HOFFA. I believe they did. You have the checks there.

Mr. KENNEDY. What happened? You got two quonset huts. What happened to the rest of them?

Mr. HOFFA. I am not in a position to give you an answer, because I did not handle the transaction, and I am not going to guess.

Mr. KENNEDY. Didn't you have any conversations with anybody about what happened to the quonset huts?

Mr. HOFFA. Generalities, not specifics.

Mr. KENNEDY. Generalities, what was it?

Mr. HOFFA. I cannot guess. You don't want guesswork in this record.

Mr. KENNEDY. As of the 1st of January of this year—we have the records through December of 1958—had the union been reimbursed for all those quonset huts?

Mr. HOFFA. Mr. Kennedy, I suggest you ask the secretary-treasurer. Don't ask Hoffa.

(At this point the following members of the select committee were present: Senators Kennedy, Mundt, Curtis, Goldwater, and Ervin).

Mr. KENNEDY. What is the secretary-treasurer's name?

Mr. HOFFA. Frank Collins.

Senator CURTIS. Do you know how much you paid for your two?

Mr. HOFFA. I believe, and you have the record there, I think \$400-and-some apiece.

Senator CURTIS. What did the union pay for them?

Mr. HOFFA. I think about the same, sir.

Mr. KENNEDY. Who shipped—

Mr. HOFFA. They were bought, I believe, from the city.

Mr. KENNEDY. Who shipped these quonset huts?

Mr. HOFFA. Well, I can't answer you. I don't know how they got there. I am not positive in my own mind. I don't want to guess. I think they were delivered by truck.

Mr. KENNEDY. Who made the arrangements?

Mr. HOFFA. Well, you got me.

Mr. KENNEDY. "You got me"?

Mr. HOFFA. Yes.

Mr. KENNEDY. You don't have any idea?

Mr. HOFFA. I do not recall anybody discussing with me the question of who brought them up.

Mr. KENNEDY. Did you ever discuss these huts at all, Mr. Hoffa?

Mr. HOFFA. Certainly I discussed them in a roundabout way, but have no knowledge specifically about the transaction.

Mr. KENNEDY. Why was the union paying in the first place for the quonset huts?

Mr. HOFFA. The union desired to use some of the huts for purposes beneficial to the union. But after we found out, taking them down, they were not beneficial, we decided to sell them to recapture the money.

(At this point Senator McClellan entered the hearing room.)

Mr. KENNEDY. How many huts did you purchase?

Mr. HOFFA. I think two.

Mr. KENNEDY. Where were you going to erect the huts?

Mr. HOFFA. You said I purchased. I meant two for Hoffa.

Mr. KENNEDY. Where were you going to erect the huts?

Mr. HOFFA. I don't know. We have a lot of space on our property by the building.

Mr. KENNEDY. I don't mean your personal——

Mr. HOFFA. I am talking about the huts. We could have put some on the property by the building. On top of that, we were going to sell some of the huts because other individuals had indicated they wanted to buy, from what I understood from our secretary-treasurer.

Mr. KENNEDY. What other individuals?

Mr. HOFFA. I don't know. I can't give you the names.

Mr. KENNEDY. We were requested yesterday not to call Mr. Collins.

Mr. HOFFA. That is right, because he is under indictment in New York where he was convicted, and he is up on appeal. I think it would be very unfair to call him.

Mr. KENNEDY. This is one of the things where we go around in circles, Mr. Hoffa, where you say you don't have the information, but you refer us to somebody who can't answer the question.

Mr. HOFFA. I assume you have a staff who handles some of your small problems, and you don't take care of all of them. I don't propose to run our union by a one-man operation.

Mr. KENNEDY. You could have found out about the huts.

Mr. HOFFA. Why should I?

Mr. KENNEDY. You knew there had been discussions and we were inquiring into them.

Mr. HOFFA. We did not care.

Mr. KENNEDY. You did not care?

Mr. HOFFA. No.

Mr. KENNEDY. Did you know the union had not been reimbursed for the quonset huts in the fall?

Mr. HOFFA. If they have not, there must be an explanation.

Mr. KENNEDY. Didn't you inquire?

Mr. HOFFA. It isn't my responsibility to inquire into that. It can probably be amply answered by the individuals responsible for the situation.

Mr. KENNEDY. Who are they?

Mr. HOFFA. I just told you.

Mr. KENNEDY. Mr. Frank Collins. Mr. Frank Collins can't answer because he is under indictment, you said.

Mr. HOFFA. Would you take due process away from him because of that?

Mr. KENNEDY. No, but I want to get the answers.

Mr. HOFFA. You can't get them from somebody who would not guess for you and I won't guess for you.

Mr. KENNEDY. That is just a general pattern for you.

Mr. HOFFA. That is what you think. Who is Mr. Chairman? Who do I address as Mr. Chairman?

Mr. Chairman, every time there is a question that arises where I don't know each specific incident concerning that situation, there is a remark by Mr. Kennedy that apparently there is something wrong that Hoffa does not know every minute detail of an organization of over 1 million people, an organization in Detroit, or the entire joint council structure. I just think that is not correct. I doubt if the chairman would be able to know everything that makes every little bit of operation of the committee a success.

The CHAIRMAN. Well, the Chair does not know everything that goes on. I think I know the important things. I try to keep informed about it.

Mr. HOFFA. So do I, sir.

The CHAIRMAN. But I do not have accountable to me folks who won't account for what goes on when the question is raised, and I don't keep them around me when they take that attitude.

Mr. HOFFA. This is not true here because they have the records, and it is a matter of bookkeeping. The purchase of the huts, the individuals who paid money back who bought the huts, if there is outstanding debts it is probably carried as a loan. If it is not, it is carried somewhere on the books, and I am not going to try to explain it because I am not the accountant.

The CHAIRMAN. You may not know what is on the books.

Mr. KENNEDY. I might also say, as I understand it, a member of the staff talked to Mr. Alder, Mr. Collins' attorney, who made the original request that we not call Mr. Collins——

Mr. HOFFA. I still make——

Mr. KENNEDY. Wait a minute. We told him at that time that we wanted to discuss these quonset huts, and Mr. Alder assured us that Mr. Collins does not know anything about the huts.

Mr. HOFFA. Maybe he don't, but as secretary-treasurer he may have delegated it. We don't have a small organization of two people running an office. We delegate authority to people to carry out small details.

Mr. KENNEDY. Does it concern you, Mr. Hoffa, that these quonset huts were purchased in 1956 out of funds of your local union, that your local union was not reimbursed for them?

Mr. HOFFA. There is probably an excellent answer to your question. I unfortunately don't have it, and, therefore, I do not believe there should be some kind of an implication left.

Mr. KENNEDY. Who can give it to us?

Mr. HOFFA. I would hope that Collins could. If he can't, and he delegated it to somebody else, that individual could tell you.

Mr. KENNEDY. Could you tell us about this check?

The CHAIRMAN. The Chair presents to you a check, a photostatic copy of one, dated August 21, 1956, drawn on Truck Drivers Local Union No. 299, in the amount of \$1,500, payable to the Bank of the Commonwealth. It appears to have been signed by Frank Collins, secretary-treasurer. Will you please examine the check and state if you identify it, and what it is for, what it represents?

(The document was handed to the witness.)

Mr. HOFFA. Well, apparently this is a check, Senator, that was made to the Bank of the Commonwealth for \$1,500. I don't see who signed it. There does not seem to be anything on the back about who signed it. It was countersigned by Frank Collins and myself, my signature being a stamp, a facsimile.

The CHAIRMAN. Here is another one dated September 6, 1956, drawn to the same payee, and by the same parties, in the amount of \$340.65. I will present it to you and ask if you can identify it.

(The document was handed to the witness.)

The CHAIRMAN. I will make the other photostatic copy of the check exhibit No. 92.

(The document referred to was marked "Exhibit No. 92," and will be found in the appendix on p. 19846.)

Mr. HOFFA. Well, again, it is the same type of check, but on the back there is a number which apparently is a bank account. You probably checked it. That may be able to help us, whose bank account number that is.

The CHAIRMAN. This check may be made exhibit No. 92-A.

(The document referred to was marked "Exhibit No. 92-A," and will be found in the appendix on p. 19847.)

Mr. KENNEDY. You know nothing about these checks, Mr. Hoffa?

Mr. HOFFA. Well, from what you have said I assume they are part of the quonset hut arrangement.

Mr. KENNEDY. Do you know anything about the purpose of these checks?

Mr. HOFFA. I would not want to guess. It may have been discussed with me, but it is a long time ago and I don't remember. It may have been roughly discussed.

Mr. KENNEDY. Mr. Hoffa, who authorized the use of the funds of the union for the purchase of these huts?

Mr. HOFFA. I probably did. Somebody probably brought it to my attention.

Mr. KENNEDY. Was that at a meeting?

Mr. HOFFA. Not necessarily. I would have the authority under our bylaws, as you well know, to make such an expenditure.

Mr. KENNEDY. Did you reimburse the union in full for the huts that went to lake 13?

Mr. HOFFA. I believe we were billed and paid.

Mr. KENNEDY. Do you know as a matter of fact that you did?

Mr. HOFFA. You have the records. Let's find out.

Mr. KENNEDY. Well, did you?

Mr. HOFFA. Find out. I don't have the record in front of me.

Mr. KENNEDY. I am just asking you whether—

Mr. HOFFA. Just a moment, please. I am sure, and you have the record there, that there was paid, I believe \$400-and-some, and I believe that was the cost, of each, and I believe that was the cost of the quonset huts, was it? If it is, I answered your question.

Mr. KENNEDY. Mr. Hoffa, how did you ship these huts?

Mr. HOFFA. How did I ship them? I don't think that I did. I think somebody on our staff probably shipped them for me.

Mr. KENNEDY. Was the trucker reimbursed for those shipments?

Mr. HOFFA. I don't know who trucked them.

Mr. KENNEDY. You don't know anything about that, either?

Mr. HOFFA. I don't recall who trucked them. It may have been brought to my attention. I don't recall that far back.

Mr. KENNEDY. You don't recall whether it was the Conklin Shipping Co. or Conklin Trucking Co., or Mr. Keeshin?

Mr. HOFFA. I would question whether you are right or not, because he don't have permits up in that territory.

Mr. KENNEDY. Did you talk to Mr. Keeshin about this?

Mr. HOFFA. I? Not to my knowledge. But Keeshin Freight Lines, so we get the record straight with no implications, does not have rights into that territory, either PUC or ICC. How would they have made the delivery?

Mr. KENNEDY. How about the C. A. Conklin Co.?

Mr. HOFFA. They have no rights up there.

Mr. KENNEDY. So if they did ship it, it would be some special arrangement?

Mr. HOFFA. It could not have a special arrangement. You have checked the logs, I am sure of that.

Mr. KENNEDY. Mr. Chairman, can we call a witness to put the records in?

I think, Mr. Hoffa, you should have more information in connection with this transaction.

Mr. Bellino and Mr. Ranstad.

The CHAIRMAN. You have not been sworn.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. RANSTAD. I do.

TESTIMONY OF CARMINE S. BELLINO—(Resumed) AND TESTIMONY OF HAROLD RANSTAD

The CHAIRMAN. State your name, your place of residence, and your occupation.

Mr. RANSTAD. Harold Ranstad, Washington, D.C., a member of the staff of this committee for the last 2 years.

The CHAIRMAN. Have you participated in the investigation of this subject matter now under discussion?

Mr. RANSTAD. Yes, Mr. Chairman.

The CHAIRMAN. What records have you relating to it?

Mr. KENNEDY. Do you know of any other huts, other than the two that went to your Lake 13?

TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL,
EDWARD BENNETT WILLIAMS—Resumed

Mr. HOFFA. I understand—don't hold me—I understand that some went to Allen Dorfman.

Mr. KENNEDY. To Allen Dorfman?

Mr. HOFFA. I believe they did.

Mr. KENNEDY. Did you have anything to do with sending the huts to Allen Dorfman?

Mr. HOFFA. I didn't handle the trucks. I don't go out and take down quonset huts, Mr. Kennedy.

Mr. KENNEDY. You have somebody else do that for you?

Mr. HOFFA. I would hope.

Mr. KENNEDY. Did you discuss with Allen Dorfman the sending of these quonset huts to his location, or his place?

Mr. HOFFA. I have no recollection of that discussion, and I do not believe such a thing would have come to my desk for discussion.

Mr. KENNEDY. Where were they sent as far as Allen Dorfman is concerned?

Mr. HOFFA. I would think Eagle River, Wis.

Mr. KENNEDY. What is at Eagle River, Wis.?

Mr. HOFFA. Jack-O-Lantern Lodge.

Mr. KENNEDY. Who owns that?

Mr. HOFFA. Allen Dorfman and other individuals.

Mr. KENNEDY. Do you have an interest in that?

Mr. HOFFA. No. I sold it.

Mr. KENNEDY. Did you have an interest in it at the time?

Mr. HOFFA. Yes.

Mr. KENNEDY. Did you? Is that correct?

Mr. HOFFA. I said I did.

Mr. KENNEDY. To whom did you sell your interest?

Mr. HOFFA. Allen, Rose, Paul Dorfman. I don't know who else.

Mr. KENNEDY. Did you make arrangements to ship the huts—

Mr. HOFFA. I just told you, Mr. Kennedy, that I don't handle situations like this. It would be very rare for me to handle a situation like this. Now, if somebody asked me to make a phone call, I would make it for them. I don't recall making such a phone call or making such an arrangement, and I doubt if I did.

Mr. KENNEDY. Was this one of those rare occasions when you did, Mr. Hoffa?

Mr. HOFFA. I don't think so. I don't know.

Mr. KENNEDY. You can't remember that?

Mr. HOFFA. I do certainly not remember it, and I see no reason to remember it.

Mr. KENNEDY. Did you talk to Mr. Keeshin about shipping—

Mr. HOFFA. I don't recall talking to Keeshin. I have talked to him a lot of times, but I don't recall this specific instance.

Mr. KENNEDY. Did you talk to him about these huts, Mr. Hoffa?

Mr. HOFFA. I don't recall talking to Keeshin about it. Did you talk to Keeshin? Did he say I did? I think it is unfair. If you have the answers, refresh my memory.

Mr. KENNEDY. I want to find out what information you have, Mr. Hoffa.

Mr. HOFFA. Well, I would like to find out what you got.

Mr. KENNEDY. How many huts were sent to Eagle River, Mr. Hoffa?

Mr. HOFFA. Offhand I can't tell you. I don't want to guess.

Mr. KENNEDY. All right. Can we put into the record what information we have?

Mr. RANSTAD. I have three bills of lading covering the shipment of three truckloads of iron or steel—

Mr. KENNEDY. How about first just putting into the record what is involved in the huts?

Mr. HOFFA. May I find out, is there a bill of lading there for the trucks, so we can get the trucklines?

Mr. KENNEDY. We can get all of that straightened out.

The CHAIRMAN. We will put everything into the record.

Mr. BELLINO. The total amount involved, from the records of local 299, is \$10,436.72. That is the total cost of the quonset huts when they were purchased from the Detroit Housing Authority, the permits involved, the tearing down of the huts, and the subsequent transportation.

Mr. KENNEDY. This was all paid out of local 299 funds initially?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. All checks of local 299?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. When were these purchases made?

Mr. BELLINO. The purchases were made during the period from June 5, 1956, through September 7, 1956, that is, I should say, the expenditures were made during that period of time.

Mr. KENNEDY. Has the union been reimbursed for any of that money?

Mr. BELLINO. Yes.

Mr. KENNEDY. How much?

Mr. BELLINO. A total of \$1,995.

Mr. KENNEDY. Does that include the money that they received back on their deposit, Mr. Bellino?

Mr. BELLINO. No, sir.

Mr. KENNEDY. How much totally have they been reimbursed?

Mr. BELLINO. \$950 more. It would be about \$2,900 altogether.

Mr. HOFFA. Is that \$950 more returned to the local?

Mr. KENNEDY. Yes. They had a deposit on each one of these huts; is that right?

Mr. BELLINO. Yes; that is deducted from our—

Mr. KENNEDY. I want to find out how much totally the union is out, as of the present time.

Mr. BELLINO. At the present time, the total amount that they are out is \$7,471.72.

Mr. HOFFA. Mr. Chairman, where is the additional money? The \$1,995—may I ask if that is the money that I paid in plus what other people paid in for the huts, or is \$1,995 a rebate?

Mr. KENNEDY. I believe the \$1,995 came back from certain individuals and then there was——

Mr. HOFFA. Who bought the huts?

Mr. KENNEDY. We are not certain of that. He will explain what we have.

Go ahead.

Mr. BELLINO. To explain how we arrived at the \$7,400, the total cost was \$10,416.72.

Mr. KENNEDY. For how many huts?

Mr. BELLINO. That is for 19 huts; \$695 was returned in connection with money which was paid by Hobren for a Fordson tractor which Charles O'Brien in turn remitted to the Teamsters.

Mr. KENNEDY. Part of the money, the \$10,400, approximately, part of that money was used not only for quonset huts, but for the purchase of a tractor, right?

Mr. BELLINO. That is right.

Mr. KENNEDY. And ultimately they were reimbursed for the tractor, the union?

Mr. BELLINO. That is right.

Mr. KENNEDY. And that was through Chuck O'Brien, who was a Teamster Union official?

Mr. BELLINO. Yes——

Mr. HOFFA. And the check came from Hobren Corp. to pay.

Mr. KENNEDY. The check came from Hobren.

Mr. BELLINO. Of the \$1,500, \$695 did not go on the huts. Therefore we deducted that as expense. There were six huts paid for by local 299 which they relinquished to the Detroit Housing Authority. In other words, they lost \$1,500 completely, but we are not including that in the cost of these huts, bringing it down to \$8,221.78. They received——

Mr. HOFFA. Eight thousand what?

Mr. BELLINO. \$8,221.78.

Mr. KENNEDY. That is eliminating the amount for the tractor, eliminating the amount that they lost on the huts.

Mr. BELLINO. On the six huts which they relinquished, they did not tear down, they just let them stay there. They were refunded \$950 by the Detroit Housing Authority, making the total cost of \$7,271.72.

Mr. KENNEDY. There were 13 huts of the 19. Six were left there, making average cost of \$559.36. They received from Hobren——

Mr. BELLINO. The average cost of 13 huts was \$559.36 each. Hobren paid in \$800 and from an unknown source \$500, making a total of \$1,300 or a loss at that point of \$5,971.72. Adding on to \$15,000 for the six huts discarded, making a total loss to the union of \$7,471.72.

Mr. KENNEDY. The \$7,000 loss includes the loss from the huts that they did not use?

Mr. BELLINO. That is correct.

Mr. KENNEDY. The figure of \$5,000 was for the huts that were actually used, that the union was never reimbursed for?

Mr. BELLINO. That is correct.

Mr. KENNEDY. So the union is out how much at the present time?

Mr. BELLINO. \$7,471.72.

Mr. KENNEDY. The records show that the huts of Mr. Hoffa's at Lake 13——

Mr. HOFFA. And were paid for.

Mr. KENNEDY. How were they paid for, Mr. Hoffa?

Mr. HOFFA. By Hobren; he just said so.

Mr. KENNEDY. How much did Hobren reimburse for them?

Mr. BELLINO. \$800 from Hobren.

Mr. KENNEDY. How much is each one of the huts?

Mr. BELLINO. \$559.36.

Mr. KENNEDY. So he did not reimburse them in full.

Mr. HOFFA. I don't believe it. I haven't got the figures, but I will get a breakdown and let you know about it.

Mr. KENNEDY. In addition, didn't some of these huts go to the camp that was owned by Mr. Hoffa and Mr. Brennan and Mr. Dorfman?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Were they reimbursed for those?

Mr. BELLINO. We have no evidence they were.

Mr. HOFFA. I tell you no later than a week or so ago I was talking to Allen Dorfman. Allen told me, "I sent a check in." I said, "What for?" He said, "I got a call from Detroit I owed some money for the quonset huts I got. I sent it in." I said, "Fine." That is all I know about it.

Mr. KENNEDY. How long ago was this?

Mr. HOFFA. A week ago when I was in San Francisco.

Mr. KENNEDY. That is it. We started our investigation, and now the union is starting to be reimbursed.

Mr. HOFFA. That is an assumption.

Mr. BELLINO. This is up to December 31, 1958.

The CHAIRMAN. You say you think they made payments last week?

Mr. BELLINO. Yes, sir; I did. At least I was told last week.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Bellino, having studied these records and other records, what do you understand has occurred here?

Mr. BELLINO. This would appear to be a misappropriation of union funds.

Senator KENNEDY. Why would that be so?

Mr. BELLINO. There is no authority, no information in the minutes that we could find authorizing these expenditures, and they are going on places which are privately owned; no union function we could find.

Senator KENNEDY. There were 19 huts?

Mr. BELLINO. There were 19. Six were left standing; there were 13.

Senator KENNEDY. Mr. Hoffa, at lake 13, with two huts?

Mr. BELLINO. There were two at lake 13.

Senator KENNEDY. Was there a tractor there?

Mr. BELLINO. That was separate.

Senator KENNEDY. Now we have the two huts at lake 13. Now directly or through someone else Mr. Hobren made a payment for those huts.

Mr. BELLINO. \$800 paid for those huts, yes.

Mr. HOFFA. The reason is that Hobren owns the camp.

Senator KENNEDY. You have a piece of it.

Mr. HOFFA. My wife and Mr. Brennan's wife.

Senator KENNEDY. What is Mr. Hobren's address?

Mr. HOFFA. Hobren is a company name, sir.

Senator KENNEDY. Then the Hobren Co. compensated for the two huts going to lake 13. Now what was the difference between the

compensation which the Hobren Co. gave for the huts and the price which the union paid to the city for the huts?

Mr. BELLINO. If they paid \$400 each the price to the city was \$250, I believe.

Mr. HOFFA. It would be reimbursed property then.

Senator KENNEDY. Do you have any idea what the city was paid for the huts?

Mr. BELLINO. We do not.

Mr. HOFFA. He just said it cost \$400 a hut.

Senator KENNEDY. For the two huts that went to camp 13, did the Hobren Co. compensate the union for the expense which the union incurred in securing the huts, packing them and sending them to the Hobren, to lake 13?

Mr. BELLINO. Not in full; no, sir.

Senator KENNEDY. How much is the difference there?

Mr. BELLINO. The difference would be—

Mr. HOFFA. According to what he is saying, \$150.

Mr. BELLINO. If he paid \$400 apiece and each one cost \$558, there is \$159.36 each; that is \$310 approximately.

Senator KENNEDY. On the huts that then went onto the camp the Dorfman family and Mr. Hoffa at that time then had a piece of—how many huts went there?

Mr. BELLINO. We do not know exactly. They went there and were torn down.

Senator KENNEDY. What compensation was given by that group for the huts?

Mr. BELLINO. We have found none have come indirectly from them or have been identified as coming from them.

Senator KENNEDY. The last question is, we don't know how many huts but we assume that there were two huts going to lake 13 and several huts going to the Dorfman enterprise. What happened to the other huts?

Mr. BELLINO. Seven or eight huts which we do not know what happened to. Possibly Mr. Hoffa can tell us.

Senator KENNEDY. That could have gone to Dorfman or anyplace?

Mr. BELLINO. Yes.

Senator KENNEDY. But there is no record in any of the unions as to what happened to those huts?

Mr. BELLINO. That is correct.

Senator KENNEDY. They were not placed on union property, for example, which I understood was the original purpose for which they were bought.

Mr. BELLINO. Insofar as we know, we do not know where they were taken.

Senator KENNEDY. There is no record in the union, in other words, as to what they could possibly have done with these huts?

Mr. BELLINO. That is correct.

Senator KENNEDY. Now I would like to ask, Mr. Hoffa, it seems to me, I wonder if you have any information as to the number of huts which might have gone to Mr. Dorfman or what might have happened to the remaining huts.

Mr. HOFFA. I would have to guess, Senator.

Senator KENNEDY. Could you guess?

Mr. HOFFA. I wouldn't want to.

Senator KENNEDY. Then the union, of course, is out this sum of money. I don't understand why the union would have ever considered buying huts. Some of them went to you for which you compensated them, but according to Mr. Bellino, not in full. Some of them went to Mr. Dorfman. There is no record of his compensating them. Nobody knows what happened to the rest of the huts.

Isn't that an odd transaction for the union to engage in? Why do you buy the huts?

Mr. HOFFA. It is my understanding, sir, I did not go out and see the huts, I did not visit them, did not make the deal.

Senator KENNEDY. You benefited from the deal.

Mr. HOFFA. I did not benefit at all. I paid the full price. I don't know exactly what the whole story on the huts is, but my understanding is that they were going to be used by the union. Now, apparently they did not use them. When they did not use them, they had to try to find a way of disposing of them. Apparently this is the way they were disposed of.

Senator KENNEDY. I think it is a strange transaction, if you don't mind my saying so, for a union to get into. I don't know what purpose. May I ask whether the city laws regarding this surplus property, whether there was any regulation as to what groups could purchase it?

Mr. HOFFA. I don't think so.

Senator KENNEDY. You could have purchased it directly.

Mr. HOFFA. I think it was public, if I am not mistaken. I read it in the paper, if I recall.

Senator KENNEDY. Will you tell me why Mr. Dorfman or you could not have purchased it directly?

Mr. HOFFA. I think it was the original intention, I think, finally to recapture part of the expenditure. This became the ultimate. I don't think this was the original intent.

Senator KENNEDY. You bought the huts. Then there was no purpose for them?

Mr. HOFFA. There was a purpose for them trying to get the work. It could have been zoning or something else.

Senator KENNEDY. How much interest did you have in Mr. Dorfman's enterprise at that point? What was your piece of it?

Mr. HOFFA. I think a quarter.

Senator KENNEDY. Did Mr. Brennan have a piece of it, a quarter?

Mr. HOFFA. Yes.

Senator KENNEDY. Will you tell me what compensation he gave you when you got out?

Mr. HOFFA. Yes; less than what I put in.

Senator KENNEDY. He paid you by check or cash?

Mr. HOFFA. By check.

Senator KENNEDY. This last 12 months?

Mr. HOFFA. I would think so. I think 1958.

Senator KENNEDY. Did he ask you how much?

Mr. HOFFA. I think \$10,000.

Senator KENNEDY. Was any decision made as to who would compensate the union for the huts? Is that part of the deal?

Mr. HOFFA. I didn't run the camp.

Senator KENNEDY. When you sold out your interest, one of the pieces of interest was these huts?

Mr. HOFFA. I sold it at a loss and did not absorb the accounts outstanding.

Senator KENNEDY. So it still belonged to Mr. Dorfman. The first payment which Mr. Dorfman made was last week; is that correct?

Mr. HOFFA. I said somebody discussed with me the question that they had made the payment. I think Mr. Bellino is very accessible to our office, he goes in once a week, could call up to find out if the record is there.

Mr. BELLINO. I have no record of the payment of last week.

Senator KENNEDY. Do you have records of these matters?

Mr. BELLINO. We tried to get the records, but they said that they would keep them there if we wanted to look at them; we could go there and look at them.

Senator KENNEDY. You have not been able to secure a record of Mr. Dorfman making a payment?

Mr. BELLINO. No, sir.

Mr. KENNEDY. Up to January 1959 he or Mr. Hoffa or Mr. Brennan had not reimbursed the union for these huts.

Mr. BELLINO. That is correct.

Mr. KENNEDY. When you talk about misappropriation, up until 2 weeks ago when we began our investigation, this was a misappropriation of funds by Mr. Hoffa as well as these other individuals.

Mr. HOFFA. Don't you say that. This is not a misappropriation of funds. This is an outstanding bill which will be collected in my opinion to the fullest extent of the dollar value.

Mr. KENNEDY. How long ago were these huts purchased?

Mr. BELLINO. In 1956.

Mr. KENNEDY. So they are reimbursing some 3 years later.

Mr. BELLINO. That is right.

Mr. KENNEDY. After the investigation began.

Mr. BELLINO. That is correct.

Mr. HOFFA. That is not true.

Senator KENNEDY. Can you tell me how long ago the huts were purchased by the union when they first went to Mr. Hoffa's estate and then Mr. Brennan?

Mr. HOFFA. I don't know. Probably sometime in 1956.

Mr. BELLINO. July 1956.

Senator KENNEDY. When were they purchased from the city?

Mr. BELLINO. June or July.

Senator KENNEDY. The union, between June and July, made the determination that they could not use them?

Mr. HOFFA. It could have been.

Mr. KENNEDY. Why would you purchase 18 huts without knowing if you could use them or not?

Mr. HOFFA. Funny things happen in business.

It was my frank opinion that there would be a time limit as to when you could purchase from the city clearing a housing arrangement and maybe that was the reason. I don't know. That could be it.

Senator KENNEDY. I would like to find out if the staff could determine whether anyone could purchase the huts.

Mr. HOFFA. I told you they could.

Mr. RANSTAD. The housing commission advertised for bids.

Senator KENNEDY. I am trying to determine what the reason was, why you would buy them and then suddenly they would go up to your camp and what was the concept in the minds of the purchaser. You don't know what it was?

Mr. HOFFA. It could be a lot.

Senator KENNEDY. I agree.

Mr. KENNEDY. You were going to put 19 huts around the union headquarters.

Mr. HOFFA. I don't know. Maybe on top, on top of each other.

Mr. KENNEDY. You would have to, wouldn't you, Mr. Hoffa?

Mr. HOFFA. We could. You know how. Fill out your steel structure from the top, you can put it just as well as on a base.

Mr. KENNEDY. You decided you would not do that.

Mr. HOFFA. Apparently we didn't.

Mr. KENNEDY. Where were you going to put the huts?

Mr. HOFFA. Don't ask me. Ask the people who own them.

Mr. KENNEDY. Now, there is a very important matter in connection with the shipment of these. Who does it show shipped these huts, Mr. Ranstad?

Mr. RANSTAD. The ones to Eagle River, which were shipped by James Hoffa.

Mr. KENNEDY. The huts were shipped by Mr. Hoffa?

Mr. RANSTAD. Those that were shipped to Camp Jack-O-Lantern were shipped to Eagle River.

Mr. HOFFA. May I add something that will verify that?

Mr. KENNEDY. Can I finish? I would like to.

Could you tell us how much was shipped?

The CHAIRMAN. Get the documents and then I will pass them to Mr. Hoffa. What documents do you have before you?

Mr. RANSTAD. We have the bill of lading which consists of three documents, one called bill of lading, the second one shipping order, and third, a memorandum. They are all parts of the bill of lading.

The CHAIRMAN. They may be made exhibit No. 93.

(Documents referred to were marked "Exhibit No. 93" for reference and may be found in the files of the select committee.)

Mr. RANSTAD. And we have the delivery receipts for three truckloads at the other end, at Eagle River, Wis.

The CHAIRMAN. That may be made exhibit No. 93-A.

(Receipts referred to were marked "Exhibit No. 93-A" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. How much was involved? This is important.

Mr. RANSTAD. We cannot tell the number of huts, but there were 34,580 pounds altogether, and three shipments.

Mr. KENNEDY. Tell us how much in each shipload.

Mr. RANSTAD. In one there was 6,880 pounds; in one there was 14,000 pounds; and in the third there was 13,700 pounds.

Mr. KENNEDY. Where were these huts shipped?

Mr. RANSTAD. They were consigned to Camp Jack-O-Lantern, Eagle River, Wis.

Mr. KENNEDY. Whom does it show the shipper to be?

Mr. RANSTAD. James Hoffa, Detroit, Mich.

Mr. KENNEDY. Whom does it show as the company that made the shipment?

Mr. RANSTAD. C. A. Conklin Truck Line, Inc., which is now Keeshin Transport System, Inc.

Mr. KENNEDY. And how much was the charge for the shipment?

Mr. RANSTAD. The freight charge in each instance was \$245.80. Taxes and incidentals brought it up in each case to \$253.69.

Mr. KENNEDY. Making a total of how much?

Mr. RANSTAD. \$769, roughly.

Mr. KENNEDY. We examined the records of the Keeshin Co. Incidentally, that is the same Mr. Keeshin who, according to Mr. Hoffa's testimony, loaned him some \$5,000 in cash. Is that the same Mr. Keeshin?

Mr. HOFFA. I understand he verified it, too.

Mr. KENNEDY. Is that the same Mr. Keeshin?

Mr. HOFFA. The same who verified he loaned it and got it back.

Mr. KENNEDY. Does it show that this trucking company was ever reimbursed for the shipment of these huts up to Eagle River?

Mr. RANSTAD. At our request, the controller of that company checked the books and records and says they do not reflect payment of these.

Mr. HOFFA. Maybe they are still owing as the quonset huts were.

Mr. KENNEDY. This company made the shipment, and they were never reimbursed?

Mr. RANSTAD. That is correct.

Mr. KENNEDY. Isn't it correct that we have an affidavit to that effect?

Mr. RANSTAD. That is right.

The CHAIRMAN. The affidavit may be made exhibit No. 94.

(Affidavit referred to was marked "Exhibit No. 94" for reference and may be found in the files of the select committee.)

The CHAIRMAN. The other documents you referred to, have they been made exhibits?

Mr. RANSTAD. Yes, sir.

The CHAIRMAN. All right. Now Mr. Hoffa may see all of these exhibits, if he wishes to.

(At this point Senator Kennedy withdrew from the hearing room.)

Mr. KENNEDY. I might read the last paragraph of this:

Richard Crandell, being first duly sworn, deposes and says that he is comptroller of Keeshin Transport System, Inc., 321 Wabash, Toledo, Ohio; that he has examined books and records of the said Keeshin Transport System, Inc. and has caused other books and records of said corporation to be examined with reference to the shipment of three truckloads of iron or steel buildings from Detroit, Mich., to Eagle River, Wis., by James Hoffa on or about July 10, 1956, by means of the trucking facilities of C. A. Conklin Truck Line, Inc., now known as Keeshin Transport System, Inc. and has determined that such books and records do not reflect that freight bills Nos. 3368, 3369, and 3374, each in the amount of \$246.30, have been paid.

That the said freight bills were for freight charges on three truckloads of iron or steel buildings shipped by James Hoffa, Detroit, Mich., to Camp Jack-O-Lantern, Eagle River, Wis., on or about July 10, 1956. The books and records of Keeshin Transport System, Inc., formerly known as C. A. Conklin Truck Line, Inc., do not reflect that the said freight charges have been paid.

Mr. HOFFA. Mr. Chairman, based upon the record that I have in front of me, this was a normal business transaction, where the company transported certain material to a distance in Eagle River, Wis. They placed the charge on their books, and is apparently still owing by Jack-O-Lantern.

Since we have no longer an interest in Jack-O-Lantern, they have to pay it and the company has a right to collect for it.

The CHAIRMAN. When was the shipment made?

Mr. HOFFA. July 10, 1956.

The CHAIRMAN. 1956?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. The thing about it, of course, is the long period of time collecting a freight bill. That is unusual; is it not?

Mr. HOFFA. It could be, sir. I don't know why they didn't press the issue with Jack-O-Lantern. I wouldn't handle the books of Jack-O-Lantern. I wouldn't know whether it was paid or not.

Mr. KENNEDY. The shipper didn't press the payment, Mr. Chairman. The fact is that Mr. Hoffa is head of the union which has control over the employees of this trucking company; the fact that they have already shown that there have been financial transactions between them—

The CHAIRMAN. Let me ask, Were they shipped collect?

Mr. HOFFA. I don't know. Let's see.

Mr. KENNEDY. Prepaid.

The CHAIRMAN. They were shipped prepaid?

Mr. HOFFA. I question whether or not I ever heard of the transaction. That is my own opinion. But because I am the head of 299, somebody may have used my name, very conveniently, to expedite the unloading and handling of the merchandise. But, in any event, it is an outstanding bill and I suggest that Keeshin collect it from Jack-O-Lantern and we will close the issue.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. We will take a 15-minute recess.

(A short recess was taken, at which time the following members of the select committee were present: Senators McClellan, Mundt, and Goldwater.)

(At the expiration of the recess, the following members of the select committee were present: Senators McClellan and Goldwater.)

The CHAIRMAN. The committee will come to order.

Call the next witness.

Mr. KENNEDY. Mr. Edward Levine.

The CHAIRMAN. Mr. Levine, come forward.

Mr. KENNEDY. I guess he is not here.

The CHAIRMAN. All right. Let's proceed with Mr. Hoffa.

The other witness is apparently out of pocket for the moment. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Hoffa, we have had some testimony in connection with some of the contracts which you have been responsible for. We have had some testimony that preference has been given to certain of the large truckers who have been friends of yours, and that certain terms of the contracts have not been approved by the membership, and, in the third instance, that there have been riders, changes made in the contracts without the approval of the membership.

I want to ask you about some of those matters. I would like first to ask you about the situation in connection with Trans-American Trucking Co.

Mr. HOFFA. Trans-American Freight Lines, if you will take time to read the Central States Drivers Council contract on the back page, if you will read the back page, on page 61 of the Central States area over-the-road motor freight agreement, you will find that there is no listing of Trans-American Freight Lines. This was brought about by the fact that at the beginning of negotiations of this contract, Trans-American Freight Lines presented a document to our negotiating committee that no employers association was permitted to speak for them, and that they were there to bargain in their own behalf.

We consulted our lawyers as to whether or not we were required by law to allow this company to negotiate a separate contract. We were informed by our attorneys that we could not insist that an employer designate a representative to represent him, but that we could insist that this employer sit in on negotiations and out of that be able to arrive at a contract.

Unfortunately, during the negotiations Trans-American Freight Lines took the position they would not sit in those meetings, but they would remain in the hotel and they would meet with us every night to discuss their individual problem.

Ultimately, out of those negotiations came a separate and distinct rider to this contract concerning Trans-American Freight Lines.

Mr. KENNEDY. Could I ask you a question to clarify the record? What period of time are you talking about now?

Mr. HOFFA. I am talking about the period of time of this particular contract period, February 1, 1958, to January 31, 1961. You will also recall that there was a prior 3-year contract to this.

Mr. KENNEDY. That is what I am talking about.

Mr. HOFFA. Likewise, he took the same position in those negotiations as he took in the current, present contract negotiations.

Mr. KENNEDY. Mr. Hoffa, as I understand the point of your testimony, it is that Trans-American is not included in that 1958—

Mr. HOFFA. Can I see the book, please? That is the book ahead of this; is it not?

Mr. KENNEDY. Yes.

Mr. HOFFA. Can I see it?

Mr. KENNEDY. I think you will find, Mr. Hoffa—

Mr. HOFFA. Let me see it, and I will tell you why.

Mr. KENNEDY. That in 1955 they are in there.

Mr. HOFFA. I know why they are in there, and I want to answer it for you.

(The document was handed to the witness.)

Mr. HOFFA. Under this particular contract—

Mr. KENNEDY. That is the same contract, is it?

Mr. HOFFA. Just a moment, if you please. You will find listed Trans-American, on page 62, Trans-American Freight Lines, Robert L. Gotfredson, president.

This signifies that this was an individual unit in those bargaining negotiations and was not covered by a contract of any particular association. Out of these negotiations came a rider to the contract. The rider to the agreement was to the effect that Trans-American Freight

Lines, to be able to expedite their bookkeeping and to be able to expedite the handling of the multiple terminals that they had, and the long-distance intra- and interoperation and their steel operation, the company contended that they were perfectly willing to pay the contract as such insofar as cost factors, but they were not willing to accept the methods of computation that we were desirous of having.

Rather than having a strike with Trans-American, we entered into a rider with this company concerning—

Mr. KENNEDY. Could we get that identified?

(The document was handed to the witness.)

The CHAIRMAN. I hand you exhibit 59 and ask you to examine and state if that is the document to which you referred.

(The document was handed to the witness.)

Mr. HOFFA. The proposal. Proposal No. 1, being amended by substituting words 21 for the word 30 in the third line of the fourth paragraph.

The CHAIRMAN. That is the document to which you referred?

Mr. HOFFA. I think it is important to read the last part—

Hereafter entitled "Central States Drivers' Council". However, subject to ratification by a majority of both unions involved in this contract—

and I will find the date here.

Mr. Kennedy, is this the 1955 or the 1958 rider?

The CHAIRMAN. 1955, I understand.

Mr. HOFFA. This rider was entered into—under this rider we entered into a provision where the employer if he had two plans to be submitted to the employees, that the employer would pay a cent and a quarter, I believe, without going into detail, but I think it was a cent and a quarter.

Mr. KENNEDY. A cent and a quarter first and then cent and a half?

Mr. HOFFA. I said a cent and a quarter first.

Mr. KENNEDY. A cent and a half there.

Mr. HOFFA. The question is that we entered in a mileage arrangement in lieu of certain fringe benefits. Fringe benefits were in lieu of certain provisions of our contract.

I first held the meeting of the local unions and the stewards. Since it was a radical departure from the formal contract provisions, many of the stewards, many of the business agents at the first meeting, did not like the proposal.

Recognizing, though, that a Trans-America strike very conceivably would be a tremendous problem, we had the local unions go back to their homes, discuss with their membership and later on there were meetings held of the membership, and the membership ratified by the majority the acceptance of this proposal of the contract asking a new method of computation with one understanding, that either in 28 or 25, the employees, if they found, at any time they found they were receiving less than the master contract for trucking, each 25 or 28 days they could turn in for the balance of money they claim they did not earn by the one and a half cent per mile procedure.

But if they earned a premium over and above the contract rate of one and a half cent a mile in that 25-day period, or 28, they received that as a bonus and it was not to be taken away in future periods of time.

That is the explanation.

Mr. KENNEDY. Mr. Hoffa, what fringe benefits was this cent and a half in lieu of?

Mr. HOFFA. I believe, I don't want to get held to it, you have it; I believe it included the breakdown time, holiday pay, vacation pay of 1 week, and it arrived at a method of pickup and delivery per hundred-weight rather than per hour.

Mr. KENNEDY. Did it include meal allowance?

Mr. HOFFA. Very conceivably. I don't know. Does it state that?

Mr. KENNEDY. In here it does not say anything about meal allowance.

Mr. HOFFA. If it does not, it don't. I have to rely on the document.

Mr. KENNEDY. Is Trans-America paying meal allowances, Mr. Hoffa?

Mr. HOFFA. I could not tell you. I assume they are. Otherwise it is included in the 28-day period writeoff.

Mr. KENNEDY. The record before this committee shows that they are not paying meal allowances.

Mr. HOFFA. Then they write it off at the end of 28 days.

Mr. KENNEDY. The drivers, the records show, are not receiving meal allowances.

Mr. HOFFA. I hate to take the time.

Mr. KENNEDY. Mr. Hoffa, is your point going to be that they put in a grievance?

Mr. HOFFA. No, it is not. I have here documents concerning average earnings pay of these particular drivers, I have taken the top few drivers.

Mr. KENNEDY. Mr. Chairman, this is not answering the question.

Mr. HOFFA. If I may say also, Mr. Chairman, in direct response to his question—

The CHAIRMAN. The question is: Are they paying for meal allowances?

Mr. KENNEDY. In other words, is the contract being enforced?

Mr. HOFFA. I cannot answer that question, Mr. Chairman, because under this 28-day period if they were not paid the employee had a right to say that the one and a half cent per mile did not give to the employee what under this master contract he was entitled to, including meal periods.

Mr. KENNEDY. That, Mr. Hoffa, is the very point I am making, that this agreement does not say anything about meal allowances, that this is one of the fringe benefits given up in lieu of the cent and a half. It does not say anything about that, yet the contract is not being enforced because the drivers are not collecting their meal allowances.

Mr. HOFFA. I don't believe it and I do not believe that you have a right to put into this record two disgruntled drivers of Trans-America that could very conceivably put on the street five hundred to a thousand employees on strike by misrepresentation.

If you will look at the record and I have them here—these are the earnings of the terminals of Trans-America Freight Lines to show that the contract is being adhered to and where there are proper legitimate grievances, not manufactured or imaginary grievances, on wage scales, we have processed those grievances.

I tell you that every 90 days in Chicago, I will, when there is a grievance of a particular local union that cannot be settled on a local level, a State level, or a city level, it comes to Chicago.

In Chicago those grievances are processed. You will find, and you have the minutes of the Central States Drivers' Council, every single grievance processed.

Many of them I will admit we disallowed certain contentions of drivers because we did not believe that they were bona fide entitled to be paid.

I don't want any record to show that I am selling the workers of America.

The CHAIRMAN. We have proof here that the grievances were not allowed, they were disallowed and some witnesses just abandoned the idea of putting in any grievances or claims because they said they could not get them allowed.

Mr. HOFFA. I dispute that fact, sir.

The CHAIRMAN. The question is: Are you enforcing the contract?

The contract here does not eliminate allowances for meals. Yet the testimony was that they are not paying it.

Mr. HOFFA. Senator, there may be an isolated place a man did not collect a meal. This becomes a grievance. This does not become a question of negotiation.

The CHAIRMAN. It becomes a question of enforcement.

Mr. HOFFA. If a grievance is not brought to our attention, Senator, we cannot adjust the grievance, as you well know, sir.

The CHAIRMAN. The management has testified here that they are not paying, and yet it is not excluded from the contract.

Mr. KENNEDY. On October 30, 1958, in a letter to John W. Mead, business representative—

The CHAIRMAN. This is exhibit No. 73-A, the letter of October 28, 1958, from John W. Mead, addressed to you. It has already been made an exhibit.

Mr. KENNEDY. The last paragraph, Mr. Hoffa—

Mr. HOFFA. I want to read the whole thing. I don't like the last paragraph.

Mr. HOFFA. What paragraph are you referring to, Mr. Kennedy, particularly?

Mr. KENNEDY. The last paragraph on the first page, I believe.

Mr. HOFFA. I beg your pardon.

Mr. KENNEDY. The last paragraph of the first page.

Mr. HOFFA. It says:

President Starling and I would appreciate an answer to these questions if at all possible. The men are continually asking us for answers, but, under the circumstances, we cannot give them.

With regard to the 75 cents, the company claims that this was not intended for Trans-America. They were then referred to the Central States area guide which contains the decisions handed down by Central States, and your answer as to whom the 75 cents should be paid was pointed out to them.

Now he says:

I see no reason for arbitration when a decision has already been reached.

What he is not willing to recognize, in collective bargaining there is a procedure for grievance settling of this contract, and Mead has apparently taken the position he will not comply with this contract.

Now Mead and every other union must comply with this contract grievance procedure.

If Mead would have brought this in as a Trans-American grievance to the Central Conference of Teamsters, and if he did bring it into the Central States grievance machinery we would have handled it in accordance with the rider, if he fell within 25 or 30 days, not equalizing the master contract.

Let us not talk about cheating on this contract because it is not true. This burns me up; it is not true. I don't think this record has a right; it goes all over the United States, headlines that Hoffa sold the workers.

The CHAIRMAN. All we know is what has been sworn to.

Mr. HOFFA. I appreciate that, but the world does not know that.

I am trying to correct the record. If you look at those wages Senator Goldwater has, I don't think anybody is being abused by our contract.

Mr. KENNEDY. If you would answer the question and not make any speeches, I think it would show that in this particular case you betrayed the union membership.

Mr. HOFFA. I say it is not true. You have no foundation for such a statement, and you produce the statement.

Mr. KENNEDY. No. 1, in this agreement it states that the cent and a half should be paid in lieu of certain fringe benefits. In this agreement that you reached there is nothing in there—

Mr. HOFFA. If you are going to be technical I have to read it.

The CHAIRMAN. Is that not the same one you just read?

Mr. HOFFA. Yes, but I only tried to read the first page.

Mr. KENNEDY (reading):

To compensate highway drivers for four fringe benefits, hotel bills, vacation pay up to 2 weeks, holiday pay, layover and breakdown time.

Now, No. 1, it says nothing about meal allowances; No. 2, we find from the testimony before this committee of the representatives of Trans-American that they are not paying meal allowances to their drivers, and that this has been brought to your attention.

Mr. HOFFA. Who said that?

Mr. KENNEDY. That letter shows it was brought to your attention, Mr. Hoffa.

Mr. HOFFA. What letter?

Mr. KENNEDY. The letter of October.

Mr. HOFFA. Just a moment. This letter does not show any such thing. This letter merely shows, Mr. Chairman, that this union refused to comply with the grievance procedure of this contract and if they were to comply with the grievance procedure when they had a 75-cent meal allowance dispute we would take care of it now, today, or the next day.

The CHAIRMAN. Let me see the letter.

Mr. KENNEDY. That is the key matter. Now you talk about the grievance procedure.

Mr. HOFFA. Let us clear up something. Don't confuse the public.

In Chicago at the last joint area meeting this union finally complied with the terms of this contract and submitted a grievance into Central States Drivers' Council.

I am informed that that grievance was processed; the company was told they were wrong and the company is going to pay the grievance.

Now let us put all in the record; not the part of it.

(Members of the select committee present at this point in the proceedings: Senators McClellan, Church, and Goldwater.)

Mr. KENNEDY. Mr. Hoffa, in the grievance procedure you talked about the fact that all of these grievances then go to the joint area grievance committee; is that correct?

Mr. HOFFA. No, sir; I didn't say that. There is a procedure for handling grievances.

Mr. KENNEDY. Right.

Mr. HOFFA. First, the steward takes it up with his immediate superior.

Mr. KENNEDY. Right.

Mr. HOFFA. If he is unable to settle it, it goes to the business agent who takes it up with a representative designated by the company. If they cannot settle it, it then goes to a city council comprised of equal numbers of employer and employee representatives.

If it is not settled there, it goes to the State. If it is not settled in the State by a majority vote, it then, each 90 days, comes into Chicago, and in Chicago an equal number of employees and an equal number of representatives process it in compliance with this contract.

That is what happens.

Mr. KENNEDY. Has that happened in Trans-American?

Mr. HOFFA. Trans-American, you know, in accordance with this contract, has a different arrangement.

Just a moment now. Pardon me.

Mr. Chairman?

The CHAIRMAN. They have a different arrangement. What did you want to say?

Mr. HOFFA. This was not an arrangement made by some hocus-pocus, but it was negotiated in Chicago in negotiations, and it was ratified and approved by the Trans-American employees, by an overwhelming majority.

This, then, becomes collective bargaining as known in the United States. You then process grievances according to what you sign.

Under this particular contract, there are two steps changed. One step is that if Trans-American has a problem with a local union they cannot settle, it then comes into Chicago, and in Chicago the Central States Drivers chairman, Mike Healy, has a right to appoint a sub-committee, and a subcommittee then handles the Trans-American grievances, with the understanding when those grievances are settled it then is reported back to the full committee and is a matter of record which you have in your possession, and Central States Drivers Council has a recording of the settlement of grievances in Chicago.

Let's don't kid people.

The CHAIRMAN. What do we find, Mr. Counsel, with respect to whether this agreement was ever approved by the members?

Mr. HOFFA. I would like to see somebody say that it wasn't.

Mr. KENNEDY. Excuse me?

Mr. HOFFA. I would like to have some evidence that it wasn't.

Mr. KENNEDY. Mr. Chairman, the situation is here that, first, we have the cent and a half in lieu of the other payments, the other

fringe benefits. We find that the Trans-American not only didn't pay on the full fringe benefits, but didn't pay as far as meal allowances.

Mr. HOFFA. Mr. Chairman, this isn't true. This was a grievance, sir, in error by the company. The grievance was finally processed in accordance with this contract. We found the company guilty and ordered them to pay the employees' retroactive pay and they are currently collecting under this contract.

The CHAIRMAN. All right now, Mr. Counsel. You make your statement, and when you conclude I will let Mr. Hoffa make any comment he likes.

Mr. KENNEDY. Mr. Chairman, in addition to this situation as to the meal allowances, there was a special grievance procedure that was agreed to.

Mr. Hoffa spoke about the fact that these grievances would be followed through this procedure, going to the local level, the State level, the area level, going up to Chicago, and would be passed on at all these levels.

We find from the testimony here before the committee that this procedure was not followed as far as Trans-American was concerned.

Mr. HOFFA. What procedure, sir?

Mr. KENNEDY. No. 1, we found that a different grievance procedure was agreed to, an entirely different grievance procedure, which skipped a number of these steps.

No. 2, we found, according to the testimony of management, that this grievance procedure was never ratified by the membership, because according to management this was something that was their prerogative and did not need to be ratified.

I will tell you what the third situation is. They agreed before this committee that they didn't even follow the grievance procedure that had been signed, and that all the grievances were sent up to the local offices of local 299, to Mr. Frank Fitzsimmons and Mr. McMaster, and was settled there.

So that is the situation. That is why it was betrayal of the union membership.

Mr. HOFFA. May I have a moment, sir, to answer him?

The CHAIRMAN. You may have.

Is this where they had to send from Kansas City?

Mr. KENNEDY. That is the next case. That is the one involving Mr. Hoffa's friend, Mr. Riss.

This is Trans-American. These people had to send all of their grievances. The management was able to make the special arrangement with Mr. Hoffa, which was never approved by the Union membership, for the processing of their grievances. They set up a special routine which skipped a number of these steps.

This is not a couple of disgruntled truckdrivers that Mr. Hoffa is talking about. This is the admission of management before this committee that they don't follow that procedure.

Mr. HOFFA. Let's find out if he said that.

May I, Mr. Chairman?

Let's find out. Here is a summary of Gotfredson's testimony, right here.

Hoffa and Healy approved the cent and one-half with the understanding—

and I was the negotiating chairman, and Mike Healy was the chairman of the Central States Drivers Council. This is not my testimony. It is in your records.

Hoffa and Healy approved the one and a half cents with the understanding that it would be ratified by a majority of the locals. He and Healy were at a meeting at which Hoffa told members of the benefits of a cent and a half. It was agreed to try it for 12 weeks.

Minutes of the meeting of February 13, signed by Otto Frobey, were put into evidence. A minority of the drivers did not like the arrangements.

He didn't know of any large group that had protested.

In the 1958 negotiations again there was some dissatisfaction. In St. Louis and Detroit the vote was unanimously in favor of the cent and one-half. The terminal manager in Chicago told him the vote there was 47 to 0 in favor. There were two meetings in Cincinnati—

and this is the crux of the situation right here, sir—

and at the first meeting the vote was taken against the cent and one-half, but the employees were not represented because of weather.

There was a snowstorm and they couldn't get in to vote.

The other meeting was held on June 1, in Cincinnati. A majority voted in favor.

To get a job at Trans-American employees must sign an individual agreement agreeing to the cent and a half. And there is wildcatting even though I said there wouldn't be any.

This clearly indicates, by Gotfredson's own testimony by a matter of record, that the local unions did know what was in there, did vote for it, and it was signed.

I have here, sir, with no secret, nothing under the table, a contract that was submitted for a vote.

The dispute or grievance arising out of operations under this agreement in the territory outlined in the master agreement shall be then referred to the Central States Drivers Council in writing, and after such reference shall be handled under the usual procedure by representatives of the company and Central States Drivers Council.

Local union or Central States Drivers Council shall have the right to examine time sheets and any other records pertaining to computation of compensation of any individual or individuals whose pay is in dispute.

The question arose where Mr. Kennedy said this wasn't followed. That isn't true for this reason: It finally became apparent that taking a grievance from a local union into Chicago, we were unable at that time to settle a disputed grievance because the records were in Detroit. So we passed a resolution that from then on local unions would send to Detroit, Mich., to Frank Fitzsimmons, designated by Chairman Healy, to be able to process those grievances in Detroit where the records of this company were kept.

If unable to process them, it then came to Chicago. There was a hearing in Chicago, and somebody wanted to talk about a Trans-American grievance, Dennis, vice president of the company would come there, or Totten or Gotfredson. They would discuss this grievance.

We would then work it out. If there was a matter of computation, we would then go back to Detroit and compute the pay owed this individual.

So there was no sellout, there is no sellout, and I defy anybody to show me a grievance that has not been brought to our attention that

we haven't taken care of. Because if a grievance is not brought to our attention, we have no way of taking care of it.

But you show me one brought in there, and I say to you it finally was taken care of.

The CHAIRMAN. What is the date, Mr. Hoffa, of that modification or change in the contract?

Mr. HOFFA. 1958, sir.

The CHAIRMAN. What date?

Mr. HOFFA. Well, it was the date of the contract. I think it would be February, if I am not mistaken. No; it was 1955.

The CHAIRMAN. What date?

Mr. HOFFA. The first one would be February 1955, and the second one was February 1958, I believe.

The CHAIRMAN. The first one was February 1955?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. I might say, Mr. Chairman, the June meeting he is talking about was 3 years subsequent, June of 1958.

Mr. HOFFA. It had already been in effect. It was new ratification of a contract.

The CHAIRMAN. I have before me here exhibit No. 60. I will pass it on to you in a moment. It is dated February 23, 1955. It is the minutes or a memorandum issued. It says:

To All Road Drivers, Members of Local No. 100, Employed by Trans-American Freight Lines, Inc.:

The following letter has been received from international vice president, James R. Hoffa, and is self-explanatory. Please follow these instructions and we will see what happens at the end of the period agreed upon by persons attending the meeting in Detroit on February 13.

Among other things, this letter says:

After submitting back to the local unions this proposal—

and it is referring to the 1½ cents per mile in lieu of hotel bills, holidays, and so forth—

After submitting back to the local unions this proposal, a majority of the local unions voted against such proposal.

Mr. HOFFA. This is the first meeting.

The CHAIRMAN (reading):

However, Trans-American insisted that we should not turn down their proposal without having given them an opportunity to show that it would mean more money, or in any event no less money, than the Central States contract and, therefore, was not in violation of the Central States agreement.

On the next page—and I was reading from page 1—I find this statement in the letter. It says:

At this point Brother Hoffa read Gotfredson's proposed agreement which included 1½ cents per mile above the regular Central States Drivers agreement in lieu of hotels, vacations, holidays, and so forth. He further stated that most of the locals had turned down the company's proposal, but that he did not know why they had turned it down.

That is you stating that.

Further down, it says:

Hoffa stated that no vote would be taken, and that we would talk on grievances when Gotfredson arrived.

There are other statements in here. It concludes by saying:

The meeting adjourned at 2:30 p.m., with the understanding that all will be notified of the next meeting after the 3-week trial period.

Apparently it was agreed to go on trial for a 3-week period. The vote was passed unanimously. Each driver was instructed to write up grievances in detail.

Were there any more meetings held after that one of February 13?

Mr. HOFFA. There were individual—it is my understanding that there were individual terminal meetings where employees were permitted to vote for or against this proposal, and a majority of the employees did finally vote for this proposal, sir.

The CHAIRMAN. Apparently we have been unable to find where they ever voted for it.

Mr. HOFFA. I am trying to find here and I may have it, the exact vote per terminal. I think I have it here.

The CHAIRMAN. Obviously, at that time, at the time of this, they were not agreeing to it.

Mr. HOFFA. There was no question, sir. This was a radical departure from the normal acceptance practice of paying drivers over the road. But recognizing that it had some merit, we were perfectly willing to, rather than have a strike, to try this out, and the reason it was turned down, if my memory serves me right, was because the 25-day equalization period, or 28 days, wasn't in there. When the equalization date got in there, it then complied with the objections of the employees, that they wanted to have the same benefits as Central States Drivers Council. This isn't unusual.

The CHAIRMAN. According to the testimony that we had, there was to have been another meeting called, at which time, after the trial period, they would make a determination. The testimony was that no further meeting was called. I believe we have some evidence here that a request was made to call such a meeting, and no such meeting was called, but the provision, the rider, was put into effect and operated.

Mr. HOFFA. Mr. Senator, if Mr. Kennedy will produce the records, and I understand he has them in his possession, that he took out of Central States Drivers files, of the minutes of the Chicago meeting, I am informed he will find the recording of each local union's vote, and I suggest to you, sir, that he produce that here.

Mr. KENNEDY. What year is that, Mr. Hoffa?

Mr. HOFFA. 1955.

The CHAIRMAN. If we have any such record, I want it produced.

Mr. HOFFA. If you don't have it, we will get it for you, sir.

Mr. KENNEDY. Wait a minute, Mr. Hoffa. Do you say this was taken up with the individual unions in 1955?

Mr. HOFFA. I am informed that it was taken up with the individual local unions in regards to the question of acceptance or rejection, and a vote taken. I am saying that.

Mr. KENNEDY. Would you ask Mr. Fitzsimmons if that is correct? He is right behind you.

Mr. HOFFA. I don't need to ask him. I have been informed that it is correct, and I have been informed that we can produce the vote.

Mr. KENNEDY. Who informed you?

Mr. HOFFA. I have been told by a representative in this room who is representing Trans-American employees, that such a vote can be produced if we are given time to produce it.

Mr. KENNEDY. I can put a witness on, Mr. Chairman, who has examined the records, who will swear to the fact that it is not in those records.

Mr. HOFFA. Examined what records, sir. Nineteen hundred and fifty-eight, it was.

Mr. KENNEDY. That is what I said.

Mr. HOFFA. Well, he only has the 1958 records. He doesn't have the 1955. Once the contract expires, there is no value to keep it.

Mr. KENNEDY. I am saying this was agreed to, Mr. Chairman, in 1955. Mr. Hoffa is now maintaining it was ratified in 1958.

Mr. HOFFA. I am doing no such thing.

Mr. KENNEDY. That is 3 years later.

Mr. HOFFA. I said it was ratified in both 1955 and 1958, and I can produce 1958 records of the vote. That is what I am saying.

The CHAIRMAN. As I understand you now, you claim that it was ratified both in 1955, after the time of these minutes that I read to you, or this document I read, exhibit 60. It was ratified in 1955 after that trial period, and it was again ratified in 1958; is that correct?

Mr. HOFFA. I understand this was reported to the Central States Drivers' Council and is a matter of record.

The CHAIRMAN. You said you could produce the record?

Mr. HOFFA. I believe so.

The CHAIRMAN. Of 1958?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. Do you have that?

Mr. HOFFA. I think we will get 1955 too, because I am quite sure we have the record on hand.

The CHAIRMAN. You think you have 1955, too?

Mr. HOFFA. I think we have it, sir.

The CHAIRMAN. What is your idea about how soon it can be produced?

Mr. HOFFA. I don't know. It was in Chicago. Your men were there for months. The Central States Drivers' Council have files; they have tremendous files. I will do my best to find it and submit it to this committee.

The CHAIRMAN. You do not have it available at this moment?

Mr. HOFFA. Not at this moment.

The CHAIRMAN. You think it can be produced?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. Who made the examination on the staff?

Mr. KENNEDY. Mr. Chairman, this is the local union which had a meeting on February 13, 1955.

Mr. Hoffa stated they would have a further meeting at which there would be a question of ratifying it.

The second meeting, even according to Mr. Hoffa's own testimony, as I understand, was never held.

Mr. HOFFA. I did not say that at all.

Mr. KENNEDY. Was there a meeting held?

Mr. HOFFA. I said this was my understanding there were individual meetings held of the membership and vote taken to ratify the contract. I believe I can produce those records.

The CHAIRMAN. What you are saying in effect is that instead of having a general meeting where it was anticipated in the beginning where it would be taken up—no——

Mr. HOFFA. The problem is this: This was such a radical departure we called in the stewards, committeemen, and business agents to Chicago. We went into a full explanation as to exactly what this cent and a half and what the consequences would be if it was accepted.

Many of our people did not understand it and were fearful they would lose benefits. The result was that it was rejected.

We then tried a matter of education of our people and called a second meeting. At that second meeting it was finally agreed after further explanation we would give it a trial period and after the trial period, sir, there was a vote taken, not of the stewards, the committeemen, the business agents, but it is my information each terminal was visited and those individuals at those terminals had an opportunity to vote whether to accept, reject, or go on strike.

The CHAIRMAN. I think that is what I was trying to say. After you had called them to Detroit and had your meeting on February 13, 1955, there was objection to it. You said at that time a majority of the locals did not want it.

Mr. HOFFA. Right.

The CHAIRMAN. And turned it down? But you undertook to give it a trial period?

Mr. HOFFA. At the second meeting, sir, the same type of meeting.

The CHAIRMAN. Sir?

Mr. HOFFA. The second meeting of the same type—committeemen, stewards, and business agents.

The CHAIRMAN. That was at the meeting again after the 13th of February?

Mr. HOFFA. Where they agreed on the trial period.

The CHAIRMAN. You had another meeting and then agreed to take it on a trial period?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. You took it for the trial period.

The testimony we had before this committee was that you were to try it out for a period of time, and then you would have another meeting at which time it was to be further considered.

In other words, it was a temporary arrangement, just a trial. After it was tried out, I believe, it was 12 weeks later, you were to have another meeting with a view to reevaluating or making a final decision on it.

Now, was that meeting that was contemplated at that time, at the end of the 12 weeks, was that meeting ever held?

Mr. HOFFA. No, sir; not of the business agents, stewards, committeemen.

The CHAIRMAN. But your statement is that it is your understanding, notwithstanding that meeting was not held, that the local unions themselves did approve it, each separately?

Mr. HOFFA. By a representative, it is my understanding of Central States who attended each meeting where the local agents and membership voted.

The CHAIRMAN. You are saying instead of being approved at a general meeting such as at the time you decided to make a trial test of it, local meetings did approve it thereafter?

Mr. HOFFA. Yes; that is my understanding, sir. I am talking about a rank-and-file meeting, sir.

The CHAIRMAN. As I understand you, you are saying a rank and file membership meeting in the local approved it?

Mr. HOFFA. This is my understanding, sir. I will try to get the records and bring them back in here.

Mr. KENNEDY. Mr. Chairman, we have testimony that this was not taken back to the membership and approved and I would like to find out from Mr. Hoffa—he says his testimony comes from somebody in the room.

Now, whom does your information come from?

Mr. HOFFA. Would you mind telling me, Mr. Chairman, who made the statement there wasn't any meeting held? I didn't find that in the record.

The CHAIRMAN. You said a few minutes ago——

Mr. HOFFA. I say there is a man named McMaster told me that. Through Fitzsimmons he told me that.

Senator CHURCH. Mr. Kennedy, the testimony you refer to is the testimony that we have from Mr. Sheridan which appears on——

Mr. KENNEDY. Mr. Sheridan, I believe, was asking the questions. We are talking about two matters——

Mr. HOFFA. What date is that, sir?

Senator CHURCH. This is the transcript for July 8, 1959. The testimony appears on page 1437. Mr. Gotfredson, I understand, is president of Trans-American. He was then testifying. I think it was to this testimony that counsel must have been referring when he said this committee had had testimony that this special arrangement was never ratified by the rank-and-file membership.

Mr. KENNEDY. Can I clarify that?

There are two matters we are discussing here. One is the cent and a half and one is the grievance procedure. What we have been discussing the last few minutes is the cent and a half which was taken up at this meeting on February 13. Even though it went into effect on February 1, it was taken up on February 13.

Mr. Hoffa reported to the representatives who were there that most of the locals were against it and it would be taken up again in a 3-month period.

According to testimony before our committee that was not taken up again after the 3-month period. There was no such meeting.

In addition to that there was the grievance procedure.

This matter that Mr. Hoffa has spoken about today on the grievance procedure, according to the testimony before our committee—and it was not two disgruntled truck drivers—the testimony before our committee was that, No. 1, the grievance procedure was never taken up with the membership.

No. 2, that even that grievance procedure, which was a special grievance procedure, was altered and changed. There was no written document that it was altered or changed and that the new grievance procedure provided that from a local level a grievance would go up to Frank Fitzsimmons or Mr. McMaster in Detroit, local 299.

Senator CHURCH. It is the grievance procedure referred to on page 1437?

Mr. KENNEDY. That is correct.

Mr. HOFFA. This is an incorrect statement made by Mr. Kennedy.

Mr. KENNEDY. Oh, well—

Mr. HOFFA. Never mind the "Oh, well." Let the record speak for itself, please.

In this particular record you have a rider. In that particular rider you will find a grievance machinery. You will find that there is authority vested in a Central States Drivers Council to have an individual representing our council handle those grievances.

Do you disagree with that?

Mr. KENNEDY. May I have the document?

Senator, will you read the testimony.

Mr. HOFFA. Let us take the document. I would like to see where I changed the document.

You say I changed the document?

Senator CHURCH. Do you have page 1437?

Mr. HOFFA. Yes, sir; I do have.

Senator CHURCH. I think the pertinent portion of the record begins with Mr. Sheridan's question:

Was this separate grievance procedure ever ratified by the membership, by the employees?

To which Mr. Gotfredson answered:

No, it was not.

Then Mr. Sheridan asked:

It was not ratified?

Then Mr. Gotfredson answered:

No, but I would like to explain this: That it is the position of our company, Trans-American Freight Lines, that as the employer it is our prerogative to choose the individual or individuals to represent the company in any grievance negotiations, and not that of the union.

Mr. HOFFA. Let us continue reading and find out if this contract was approved or not in sworn testimony.

On page 1438, not my testimony, but the company's, where it says:

Prior to putting these into effect on February 1, 1955—

and I again believe this is Sheridan talking.

Senator CHURCH. You are on page 1438?

Mr. HOFFA. Yes, sir.

Prior to putting these into effect on February 1, 1955, did you have the approval of the majority of the locals?

Mr. GOTTFREDSON. We did have such approval.

Mr. SHERIDAN. Prior to February 1, 1955?

Mr. GOTTFREDSON. That is right.

Mr. SHERIDAN. In what form did you have this approval?

Mr. GOTTFREDSON. Well, we—the union, rather, called a mass meeting of the various locals, the business agents from those locals.

Mr. SHERIDAN. That was on February 13, 1955?

Mr. GOTTFREDSON. I forgot the date.

Mr. SHERIDAN. It was 2 weeks after the negotiation—after the provision went into effect?

Mr. GOTTFREDSON. We had asked for an earlier meeting, but the union—we had to await the pleasure of the union.

This verifies what I have been saying. There was approval.

Now, so far as the question over here in the grievance procedure, the question was asked whether or not the grievance machinery was changed. I said it was changed to this degree. That we were going to Detroit because of confusion, because the company's basic record was in Detroit.

The answer was to expedite the settlement of the Central States Drivers' Council grievance filed with us, to have the grievance forwarded to Mr. Fitzsimmons.

He would look them over and check the company's records and at the Chicago meeting he was equipped to argue with the employer and argue with the union if necessary to come to a particular settlement of any particular grievance brought in there.

There is no other way to run a union.

Senator CHURCH. Does this special grievance procedure apply to any other—

Mr. HOFFA. Yes, sir; two companies. I am sorry; one only. It does not apply to Trans-American or Middle Atlantic, but they do have the cent and a half.

Senator CHURCH. Just Trans-American has that particular grievance machinery?

Mr. HOFFA. That is correct.

Senator CHURCH. It is your position that that special arrangement for grievance procedure was ratified and approved by the members affected, by the rank and file members?

Mr. HOFFA. My understanding is that that is correct.

According to Gotfredson's statement here, he is saying what Mr. Kennedy is saying, that a group meeting was called of all the locals, with their representatives, with power to act in February and was approved by the master representation rather than the individual members.

If I may say also, this is the only employer that ever risked the technical legal question as to whether or not you can force an employer into a multibargaining unit or whether on certification he has a right to retain his own identity.

Our attorney rules that we have no right to force them in a master bargaining group.

Senator CHURCH. With reference to the previous record to which you and I both refer, as I read this record on pages 1437, 1438, we did have testimony from Mr. Gotfredson that the arrangement or proposal with respect to the cent and a half was approved by the rank and file members?

Mr. HOFFA. Yes.

Senator CHURCH. But that the separate grievance procedure to which he is referring on page 1437 was not approved.

Now, as I read the testimony he makes the distinction between the two. He testifies as to one, it was approved but he says after the special grievance procedure that this was not ratified by the membership.

Mr. HOFFA. Senator, you are correct; what the transcript says. Unfortunately the question was not put to Gotfredson, whether or not he was referring to a procedure grievance not going into the Central States Drivers' Council as the rider calls for, but rather, the grievance

coming to Detroit first, trying to resolve the issues, trying to go over the company's record and then being unable to settle it, taken to Chicago.

I think if that question had been put to Mr. Gotfredson this is what he would have said he meant by this question.

If you will look at the record you will find that the rider is a part of the master contract and so states and included in there is the grievance procedure.

So you cannot vote on one part of the cent and a half and not vote as a whole on the proposal because it was a proposal one and two as a whole, not a part of a proposal.

Mr. KENNEDY. Senator, I am going to let it drop after this and make no comment on it, but I want to read the question that was asked of Mr. Gotfredson.

I might say I had a number of conversations with Mr. Gotfredson prior to the time he testified. He stated that this grievance procedure was not approved, and the changes that were made in the grievance procedure afterward were not approved.

The question was asked him:

Was this separate grievance procedure ever ratified by the membership, by the employees?

Mr. GOTFREDSON. No, it was not.

Mr. SHERIDAN. It was not ratified?

Mr. GOTFREDSON. No, but I would like to explain this that this was the position of our company, Trans-American Freight Lines, that as the employer it is our prerogative to choose the individual or individuals to represent the company in any grievance negotiations and not that of the union.

That is why they didn't negotiate it. They felt it was not up to the union membership as to what grievance procedure they followed.

Mr. HOFFA. Senator, I would appreciate the fact that I have an opportunity when I get into Chicago during this week to try to get the records.

Mr. KENNEDY. Let us bring Mr. McMaster around?

Mr. HOFFA. And submit them back here.

The CHAIRMAN. You are speaking of the records of approval?

Mr. HOFFA. Yes, sir.

The CHAIRMAN. You get them for us.

All right. Mr. McMaster, come around.

(Members of the select committee present at this point in the proceedings: Senators McClellan, Mundt, and Church.)

The CHAIRMAN. Come forward, Mr. McMaster.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. McMASTER. I do.

TESTIMONY OF ROLLAND McMASTER, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. McMASTER. My name is Rolland McMaster. I live at 52030 Pontiac Trail, Detroit, Mich.

Mr. ALLDER. May I make a statement, Mr. Chairman?

The CHAIRMAN. Yes, sir; as soon as he finishes the question.

Mr. ALLDER. I would rather I made the statement before he finishes, if I may.

The CHAIRMAN. He can refuse to answer the question, but the question I want him to refuse or take some action on.

Mr. ALLEDER. I would like to make the statement first, if I may, and I think it may change the Chair's idea about it.

The CHAIRMAN. I want him to answer the question. When he answers, then we will proceed with the comment you wish to make.

(The witness conferred with his counsel.)

The CHAIRMAN. What is your business or occupation? The question has been asked.

Mr. McMASTER. I am a business agent for local 299.

The CHAIRMAN. Thank you very much.

Mr. Alder, you may now present any matter you have.

Mr. ALLDER. This witness, as you know, Mr. Chairman, has appeared here before. He has been asked a lot of questions, at which time he asserted his privilege under the fifth amendment.

At this time he is perfectly willing to answer any questions concerning the immediate subject matter that has been discussed heretofore in the last 10 or 15 minutes, but he does not waive any of his rights under the fifth amendment concerning any other matters.

I would like to have that understood by the Chair now so that if he does answer questions concerning that, he still does not waive his privilege.

The CHAIRMAN. The Chair will state that I do not know what other questions may be asked him, I don't know what questions are going to be asked him now, immediately.

But having made that statement, for whatever it is worth, the record will reflect it. I can't pass final judgement on it.

At this time, I don't know what questions will be asked. As I understand, you say he was questioned about other matters heretofore.

Mr. ALLDER. That is correct, sir.

The CHAIRMAN. And he took the fifth amendment on those questions?

Mr. ALLDER. That is correct, sir.

The CHAIRMAN. And if he is further interrogated about them, he would do the same thing?

Mr. ALLDER. That is correct. In other words, he is willing to testify on this one particular matter that has just been discussed here the last few minutes.

The CHAIRMAN. Do you want to proceed with him?

Mr. KENNEDY. Mr. Chairman, I will say this. We have a considerable amount of information regarding Mr. McMaster, including the fact that he now has a farm that is worth \$200,000, and information that we didn't have at that time; that that is only one of two farms that he has. If he is handling the grievance procedure for this union, and he is the one that Mr. Hoffa is relying on, I would like to get all the information I can from him.

The CHAIRMAN. Let's let him take the fifth on everything he wants to. Ask him questions and let's find out if people who take the fifth amendment are people to whom Teamster members have to look to get their grievances adjusted.

Mr. ALLDER. May I make a further statement?

The CHAIRMAN. Yes.

Mr. ALLDER. I will have to advise him as a lawyer what the law is as to answering one question, that opening the door puts the first link in the chain and he can then not stop. I would then have to advise him to assert his privilege immediately.

The CHAIRMAN. I do not feel like making agreements in these situations. They have their rights, whatever they are, under the Constitution, and they have counsel to advise them what those rights are. I am not going into any agreement.

Ask the questions, Mr. Counsel, that you want to.

The witness and his counsel can make their own decisions as to what action they will take whether they answer it or how or what they do.

Mr. KENNEDY. Would he be willing to answer the question as to whether he has received money from any employer in connection with any grievances that he has handled?

(The witness conferred with his counsel.)

Mr. ALLDER. He will assert his privilege as each question is asked, Mr. Kennedy.

Mr. KENNEDY. Of course, that is the key, Mr. Chairman.

The CHAIRMAN. I am not going to make an agreement or make any compromises on the part of the committee with witnesses who want to take the fifth amendment or elect to take it on certain questions and say, "Well, I will testify to this, but I am not going to testify to that."

I am not going to enter into any agreements to get part of the testimony. I feel that if we have to do that, it would simply, from my viewpoint, discredit whatever answers you got in the first place.

Mr. ALLDER. I accept the ruling of the Chair, but I have to advise my client as a result of your ruling, sir.

The CHAIRMAN. I appreciate that. I say it is your privilege to do it, and it is his privilege to do it. But I don't want to make any agreements here that make compromises on the part of the committee.

Does any member of the committee want to take a different viewpoint?

Senator MUNDT. May I say I think the chairman is exactly right. We should not entertain the precedent of permitting any witness to answer only those questions which he thinks beneficial to him and to seek the fifth amendment on any other question. He ought to come clean or take the fifth amendment, whichever he wants to. But I don't think we canicker and say, "Answer the questions where you think you might help yourself, but don't answer the questions which you think might be injurious to the union or yourself."

The CHAIRMAN. I think, as chairman of the committee, that is the way I feel about it. We can probably do without testimony in some respects, but if it is going to be clouded up otherwise by the fifth amendment on other matters within the witness' knowledge, I don't know how much credit should be given to his answers anyway.

Let's proceed, Mr. Kennedy, with your questions.

Mr. KENNEDY. Mr. McMaster, have you received any moneys, directly or indirectly, from any of the companies for whom you are processing grievances?

Mr. McMASTER. Sir, I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. KENNEDY. Mr. Chairman, this is the gentleman Mr. Hoffa referred to as having information on this, and this is the procedure that has been followed all during these hearings.

The CHAIRMAN. Is this the one that Mr. Hoffa says has been processing or adjudicating these grievances?

Mr. KENNEDY. That is correct.

The CHAIRMAN. On behalf of the union members?

Mr. KENNEDY. That is correct.

The CHAIRMAN. Now, you asked him the question of whether he has received any money or payoffs, that is what it amounts to, from employers whose employees you service in the capacity of adjudicating their claims or grievances.

Do you still want to take the fifth amendment and say you can't answer without possible self-incrimination?

(The witness conferred with his counsel.)

Mr. McMASTER. Mr. Chairman, I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Well, if you were in my union and I was president of the international, you would be fired before you left the witness stand. I don't know what would happen to you.

Proceed.

Mr. KENNEDY. Could I call Mr. Ranstad briefly just for an outline of some of the material?

The CHAIRMAN. Ask him some of these questions.

Proceed.

TESTIMONY OF HAROLD RANSTAD—Resumed

Mr. KENNEDY. Mr. Ranstad, what do we find on Mr. McMaster as to his business interests at the present time, his business interests over the period of the last few years, and what financial ownings he has?

Mr. RANSTAD. Andrew McMaster, who, I understand, is Rolland's father, owns a one-half interest in the Idle Acres Ranch, a farm of about 200 acres at 52030 Pontiac Trail, Woodson, Mich. They paid \$23,000 for that in 1952, and our information is that at the present time it is worth about \$200,000.

The CHAIRMAN. Wait a minute now. Did you say that is his father?

Mr. RANSTAD. His father owns an undivided half. Rolland and Mrs. Rolland own the other half.

The CHAIRMAN. Here you are talking about this witness owning an undivided half?

Mr. RANSTAD. He and his wife. Mrs. McMaster, Yvonne McMaster, is buying a 160-acre farm at 11616 Clyde Road near Hartland, Mich. They made a downpayment—the purchase price is \$20,000. They made a downpayment of \$7,000, and they made an additional cash payment of \$4,000 last April. They have also paid \$125 a month since, beginning with March 1955.

The CHAIRMAN. What is the significance?

Mr. KENNEDY. Could he finish the whole situation?

The CHAIRMAN. All right. All of this is as a result of his position with the union?

Mr. RANSTAD. No, sir. He also has other sources of income.

Mr. KENNEDY. We are going to go into that.

He also received some heifers from Mr. Hofer, did he not?

Mr. RANSTAD. Yes, six of them, I believe there were, six Black Angus.

Mr. KENNEDY. He received those from Mr. Hofer?

Mr. RANSTAD. Yes, Mr. Hofer delivered six of them to him.

The CHAIRMAN. Who is Mr. Hofer?

Mr. RANSTAD. He is the owner of a trucking company in Toledo, Ohio. The name of the trucking company escapes me at the minute.

The CHAIRMAN. Is he the owner of a trucking company whose employees have a bargaining contract with the Teamsters Union?

Mr. RANSTAD. That is correct.

Mr. KENNEDY. That is the Hofer Trucking Co.?

Mr. RANSTAD. Yes, sir.

The CHAIRMAN. This is the man who judges grievances that those employees may file?

Mr. RANSTAD. That is right.

The CHAIRMAN. And he got six cows?

Mr. RANSTAD. Six heifers. Six heifer calves.

The CHAIRMAN. All right.

Mr. KENNEDY. How many cattle does Mr. McMaster have?

Mr. RANSTAD. He has registered—and I don't know if he has them all at this time—he has registered 55 head of Black Angus cattle.

Mr. KENNEDY. What is the value? Do you have that?

Mr. RANSTAD. He paid \$3,810 for 13 of them, and I would say for the rest of them he probably has paid altogether about \$12,000.

Mr. KENNEDY. What other financial interests does he have?

Mr. RANSTAD. His wife, Yvonne McMaster, is buying a residence at 3555 Shallowbrook, Bloomfield Hills, a suburb of Detroit. She paid down \$12,000 and is paying the balance at \$160 a month. That was in 1956.

Mr. KENNEDY. Does he have any other financial interests?

Mr. RANSTAD. Mrs. McMaster is also buying a half interest in a small parcel of land, about an acre and three-quarters, with a slaughterhouse and a meat business on it, at 2080 North Wilford Road, Highland, Mich. She paid the previous owner of one-half interest about \$1,650, and she and her present partner in that business are paying the balance at \$250 a month. There was about \$25,000 left on the contract when she bought it.

Mr. KENNEDY. What about the trucking business?

Mr. RANSTAD. He has had an interest in several companies. He did have M. & G. Trucking Co. until last December, when he filed a notice of discontinuance with the county clerk at Detroit, that he was discontinuing M. & G.

Mr. KENNEDY. What others?

Mr. RANSTAD. Ram Transport, Inc.

Mr. KENNEDY. What interest does he have in Ram Transport?

The CHAIRMAN. Do they employ members of the Teamsters Union, do you know?

Mr. RANSTAD. Not to my knowledge. I do not know, Senator. The purpose of the corporation, the stated purpose of the corporation, is to engage in trucking business. The corporation will not operate as a public utility. In other words, it would be a contract carrier, I assume.

Mr. KENNEDY. Does he have interests in any other company?

Mr. RANSTAD. He has in the past. I don't know of any present interest.

Mr. KENNEDY. What is the Ram Transportation Co.? Do they have contracts with the companies in Youngstown?

Mr. RANSTAD. They have been receiving—they received a large number of checks. Ram Transport received a large number of checks, beginning in June 1956, and continuing down through May of this year. I have a list of those checks.

The CHAIRMAN. Checks from whom?

Mr. RANSTAD. From the Youngstown Cartage Co., of Youngstown, Ohio.

Senator MUNDT. Checks for what?

Mr. RANSTAD. Our information is that Mr. McMaster telephoned Mr. Wolfe of that company, in the latter part of May 1956, and told Mr. Wolfe that he understood that he, Mr. Wolfe, needed a tractor, and that he, McMaster, knew of someone, that is, Ram Transport, who had a tractor for rent at \$3 an hour. These checks, supposedly, are in payment for the use of that tractor at the rate of \$3 an hour.

Mr. KENNEDY. How much is the total?

Mr. RANSTAD. Some over \$7,900.

TESTIMONY OF WALTER J. SHERIDAN—Resumed

Mr. KENNEDY. Mr. Sheridan, do you know what the figure is?

Mr. SHERIDAN. It is approximately \$2,600 a year.

TESTIMONY OF ROLLAND McMASTER, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER—Resumed

Mr. KENNEDY. Can you tell us about that, Mr. McMaster?

Mr. McMASTER. Sir, I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Are there any of these statements made here that are inaccurate, or anything that you want to correct or anything you wish to comment on?

Mr. McMASTER. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

Senator MUNDT. Mr. McMaster, if you own a transport company, Ram Transport Co., and don't employ Teamsters, does that mean you have a nonunion shop?

Mr. McMASTER. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. KENNEDY. Mr. McMaster, would you tell us about the meeting, whether there were any meetings of any of the locals after 1955, or negotiations by Mr. Hoffa?

Mr. McMASTER. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. KENNEDY. Now, Mr. Hoffa stated you were the one who would be able to give us this information, Mr. McMaster. Can you give us any information in connection with it?

Mr. McMASTER. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Are there any questions?

All right, stand aside. Proceed with Mr. Hoffa.

**TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL,
EDWARD BENNETT WILLIAMS—Resumed**

Mr. KENNEDY. Mr. Hoffa, didn't you receive a petition in January 13, 1958, from the members of the local unions throughout the country who were working for Trans-American, requesting that this arrangement for the cent and a half be repealed?

Mr. HOFFA. You mean the petition and also the letter attached to it? Give me the letter, and I will answer the question.

Senator CHURCH. I believe both are included there. You take a look at it.

(At this point Senator McClellan withdrew from the hearing room.)

Mr. HOFFA. No, sir, my reply is not here. They have it in their files, sir.

Mr. KENNEDY. We don't have it.

Mr. HOFFA. Yes, sir, you do. You made photostatic copies and you have it in your files.

Mr. KENNEDY. Maybe you have it there, Mr. Hoffa.

Mr. HOFFA. No, you have it, because you made photostatic copies, and I depended on you being able to give it.

However, I believe it is a two-page letter that you have. I explained in my letter in detail as to why this petition was not a proper petition. I again should say that if you do not have the letter, rather than go into a long detailed explanation that we submit the letter concerning this question, and the petition.

Mr. KENNEDY. Is this your letter, or is this the letter of Frank Fitzsimmons?

Mr. HOFFA. A letter I believe I drafted. Mr. Fitzsimmons signed it, but I drafted it.

Mr. KENNEDY. We have the Fitzsimmons letter.

Senator CHURCH. Let us have the Fitzsimmons letter and submit it to Mr. Hoffa.

If you will wait just a minute, Mr. Hoffa, we will get that letter for you.

(The document was handed to the witness.)

Senator CHURCH. Mr. Hoffa, is that the letter to which you refer?

Mr. HOFFA. Yes, sir.

Senator CHURCH. That letter up to this point has not been made an exhibit. I think it ought to be made an exhibit.

The letter has been identified by the witness and can therefore be properly made an exhibit.

Mr. KENNEDY. It has previously been made an exhibit. I am sorry.

(At this point Senator Kennedy entered the hearing room.)

Senator CHURCH. Yes, it is now Committee Exhibit No. 71.

Mr. KENNEDY. Do you have a copy of it there, Mr. Hoffa?

Mr. HOFFA. No, I just gave it back.

(The document was handed to the witness.)

Mr. KENNEDY. Mr. Hoffa, you received a petition from all of the drivers, including, I believe, the members of your own local, requesting a change in the cent and a half arrangement. This was in 1958, some 3 years after it had been put into effect, did you not?

Mr. HOFFA. No, this is a letter addressed to myself from James F. Young. It is from Cincinnati and he is a member of the Cincinnati local union. He states in here that some of the signatures are 299 members.

Mr. KENNEDY. Could I identify what document it is?

Am I not correct that this is a petition from members, employees, of Trans-American, including employees who are in your own local 299, requesting that the cent-and-a-half arrangement be changed?

Mr. HOFFA. I again state that this is a letter from various members of Teamster local unions who signed a petition, apparently at the behest of James Young of Ohio. This was forwarded, I believe, to my office, yes, in Detroit. There is a reply to that letter stating why this cannot be carried out even though it is a petition signed by certain drivers. The reply is as follows:

In respect to the above matter, it is my understanding that in respect to sanction for strike of your company the 24-man board of the Central States Drivers Council has approved such a strike.

After discussion of all parties concerned, and due consideration being given to the writer, this company has signed for the cent-and-a-half addition to the agreement which was discussed quite thoroughly at our meeting. We feel that, based upon the facts surrounding this case, it is necessary that we follow the procedure as we will suggest.

Mind you now, we have a binding contract where this was signed. Under no stretch of the imagination could we set this contract aside because we would be in violation of the Federal law.

Now in regard to the petition calling for the canceling of the one-and-a-half-cent program and the number of names on the petition, that after checking the petition we find duplication of names and also names of members out of the eastern seaboard division which will not be covered by the Central States area agreement. Also, that the petition, as such, was never sanctioned by the union.

Now as I said before, the procedure that we have agreed upon will be just this, that a representative of management and a representative of the union will be assigned to contact you within the next 10 days, and for you to make arrangements for a meeting and, if necessary, full discussion with you and your membership who are employees of this company, and after discussion you will then determine what position you people wish to take in respect to the one-and-a-half-cent addition. R. McMaster has been assigned as union representative, and I am advised that Mr. R. B. Gotfredson, Sr., will represent the company.

In order to expedite, it is going to be necessary that we have complete cooperation. We appreciate all efforts to get this matter settled once and for all and eliminate any further discussion one way or the other. Would appreciate all cooperate and if there is anything I can do to help this matter along, please advise.

This was sent to the Cincinnati local union. There was a meeting held; I believe it was resolved. This petition was not allowed because this contract that we had signed could not be set aside by merely signing a petition.

Mr. KENNEDY. It would appear, Mr. Hoffa, would it not, that even 3 years after you agreed to this arrangement, the membership of your union, including your own local, was opposed to this arrangement?

Mr. HOFFA. Now, I have 299's petition, if I may. We have 12 signatures of 299. In 299 I assume we must have from 75 to 100 drivers employed. Twelve signatures. No matter how sincere they are in their petition, they cannot set aside a signed contract, nor can it affect all of the employees who did not sign the petition on a wildcat strike. Therefore, if they did sign it, it was disallowed according to the constitution of our international, according to our signed agreement. I see nothing peculiar about it.

Mr. KENNEDY. Mr. Hoffa, have you ever visited Mr. Riss? Have you ever visited his camp?

Mr. HOFFA. Yes.

Mr. KENNEDY. Have you gone to Riss' camp?

Mr. HOFFA. Yes.

Mr. KENNEDY. How many times have you been up to his camp?

Mr. HOFFA. A couple or three, maybe.

Mr. KENNEDY. Has he made it available for you?

Mr. HOFFA. I visited with him one time, I believe, and a man named Pickett.

Mr. KENNEDY. Did you take any other union officials with you?

Mr. HOFFA. Yes; we went fishing 3 or 4 days.

Mr. KENNEDY. Who else went?

Mr. HOFFA. I don't know offhand.

Mr. KENNEDY. Who were some of the others? Did Mr. McMaster go up with you?

Mr. HOFFA. I don't think so; no.

Mr. KENNEDY. Who else?

Mr. HOFFA. I don't think anybody from 299, except myself. I believe the representatives that went with me were from the Teamster locals—N. Hall, Jewler, one of our stewards, I believe.

I don't know who else. Two or three other people.

Mr. KENNEDY. Mr. Brennan?

Mr. HOFFA. No.

Mr. KENNEDY. Now you made an arrangement also with the Riss Trucking Co. in connection with the cent and a half, did you not, Mr. Hoffa?

Mr. HOFFA. That is right.

Mr. KENNEDY. Now you had some testimony, and I think you just made some reference to it, about setting the contract aside. Isn't it correct you made this alternate arrangement with Mr. Riss at the time that the contract was in effect; namely, on October 1, 1956, when the contract was in effect at that time?

Mr. HOFFA. May I have a moment, Senator, to find some records here?

Mr. KENNEDY. Could I explain the background about this cent and a half?

The contract was already in existence. Then Mr. Riss, according to the testimony and his own admissions before the committee, wanted to put this cent-and-a-half operation into effect. He made an arrangement with Mr. Hoffa. The arrangement then was referred—Mr. Riss stated that he talked to the Central States Council, although there is no record from their minutes that such a discussion was had. They then had approval to put in the cent-and-a-half arrangement.

It was never put into writing; there was a change in the terms of the contract which was never put into writing and not approved by the members. Subsequently, when the membership started to object to this and some other arrangements that were made by Mr. Riss, namely, the fact that they would have to purchase their trucks at exorbitant prices, all of the membership from all over the country were transferred into Mr. Hoffa's local, local 299, and even though they might live in Kansas City, Indianapolis, or anywhere, they were all transferred to local 299, and if they had any grievances they would have to go to Detroit to process them. All of Mr. Riss' drivers were transferred to local 299, no matter where they might live.

Mr. HOFFA. Mr. Chairman, would you be kind enough to give me the date Mr. Riss appeared here?

The CHAIRMAN. Last Friday, I believe.

Senator MUNDT. We could save some time if you could give him the page.

Mr. HOFFA. I have it, sir.

The CHAIRMAN. Let me ask you again. Was some special arrangement made with Mr. Riss whereby his contract was orally modified?

Mr. HOFFA. There was an agreement with Riss to change the method of payment of his drivers.

The CHAIRMAN. Was that an oral agreement?

Mr. HOFFA. Senator, I am not quite sure if it was signed or oral. I couldn't answer. I don't know.

The CHAIRMAN. Riss testified it was an oral agreement.

Mr. HOFFA. It could be. I don't know. But I do know this, that it was submitted to his employees for a vote, and I think there is some background that ought to go in the record in this particular instance concerning the alleged statement of Mr. Kinnon that "Hoffa again waived certain provisions in a labor contract" and making it sound as though it was a sellout.

I would like to state to you, sir, and you are probably familiar with it, the Interstate Commerce Commission issues a certificate under grandfather's rights, allowing employers who have that certificate to either use company-owned equipment or lease equipment by two methods—individual owner or fleet operation—to the parent company that has the permits.

In this particular instance, Riss operated all during the war in ammunition hauling; he became one of the largest carriers in the United States.

After the war Riss decided he was going to go into a two-man sleeper cab operation. I discussed with him the question of not going into the operation, that he would go broke. Being a rather firm-minded individual, he told me to mind my own business, and bought 500 trucks from General Motors.

When he bought those trucks from General Motors I told him then the trucks would not be able to do the type transportation job that his permit called for. He said he had a special arrangement with General Motors to adjust the trucks that I said was bad, about the mechanical end of his business.

Prior to getting adjustment from General Motors, this company almost went bankrupt. The company finally made an adjustment

with General Motors. In making that adjustment they recovered, I believe, a million and a half dollars and certain other concessions.

Unfortunately, by then they had run out of operating capital and they parked, if you please, almost all of the 500 tractors, laying off our drivers.

By then the Interstate Commerce Commission had recognized that the truck company could use rail facilities. Riss availed himself of using rail trailers to the extent that we lost almost every member working for Riss on the road. We prevailed upon Riss to put the individuals—lay them off and put them on workmen's compensation.

In the meantime, we were trying to work out an arrangement to get Riss to put his equipment back on the road. We were unable to do so. Matters got worse, and our members of our unions petitioned us—and I am talking now of my own knowledge of Detroit—came to see me personally and asked me to work out an arrangement with the Riss Co. whereby we could get truck equipment back on the highway. I met with Riss; I discussed the problem with Riss; I reported back to the men that the only way he would go back into truck operation, that he would have owner-driver operation as he had operated successfully during the war and right after the war.

The drivers themselves decided that rather than be unemployed, because legally we could not take those trucks off of the rail-trailer under our contract nor under law, that we would work out an arrangement with Riss & Co. whereby we would get the equipment back into motion by drivers purchasing the equipment.

Riss had evaluated his equipment on a writeoff, as I am sure you are familiar with, the first year of almost 50 percent, and he had written off additional moneys for the equipment. While the trucks appeared on his books, I believe, at four thousand some dollars, the actual valuation of the trucks was much greater.

When he came to sell the equipment to the driver-owners, he evaluated the equipment, I believe, at \$14,000, if I am not mistaken. This equipment, in return, was leased, because the drivers had no downpayment. It was leased to the drivers with the understanding that, I believe, 5 cents would be put aside to maintain rental of the equipment and as they earned equity in the equipment they would then write off the initial cost of the equipment.

Likewise, to expedite the handling of this operation, it was agreed that Riss, which our drivers were familiar with—that the driver-owners would accept, because we have two pay checks for driver-owners, one in the way of wages, one in the way of equipment rental, to make sure we get bona fide wages.

It was agreed they would recognize a cent-and-a-half formula for that equipment. A cent-and-a-half formula was put into effect with Riss with the full knowledge of the drivers. It is true, as Mr. Kennedy stated, that many of the drivers were opposed to this type of operation, individual owners, and they did not desire to purchase the equipment.

Riss, being adamant in his position that he was not going to have company-owned equipment but driver-owned equipment, and again under the Interstate Commerce Commission ruling and under the law, the company has a right to domicile their equipment at terminals in the best method to handle their business efficiently, and the company

designated Detroit as the terminal, recognizing full well that they had a large system of middle western and eastern permits where drivers would run the circuit, operating out of no one particular terminal but run the circuit, to be able to get sufficient mileage, which required, roughly, from 4,000 to 5,000 miles a month, be able to pay for the equipment—no, a week, to pay for the equipment.

In doing so, we were able to get back on the job many of the pieces of equipment that were parked. Now, it is true, and I read the testimony, that certain individuals who became disgruntled with the effect of being a driver-owner gave their equipment back to the company or sold their equipment to other individuals. But the actual fact is that the only way you could get this operation back into effect, and the only way you could get truck transportation by Riss, not rail-trailer, was by the method we used, and the method we used is approved by our members.

Again, I have the listing of the wages paid by the drivers. They runs from \$9,000—this is the full-time drivers. They run from \$6,000 to \$9,000. Those drivers operate that equipment and also have an equity in the equipment, in addition to their earnings, without any downpayment. This is the method we used to be able to handle the return of truck transportation to the road from rail-trailer.

Mr. KENNEDY. Are you finished?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. So the fact is that you did it, and that is the reason that you did it?

Mr. HOFFA. I explained why we changed the method of operation of Riss to the method currently in effect.

Mr. KENNEDY. That is one thing. This agreement was made, an oral agreement, changing the terms of the contract when the contract was supposed to be sacred. It was presented to people saying, "This is the contract. This is why the Teamsters support the leadership, because we get these high contracts."

Yet, Mr. Hoffa, as he admits here, because the employer, a truck owner, is a friend of his, orally changes the terms of the contract.

Mr. HOFFA. Just a moment.

Mr. KENNEDY. Isn't it correct, according to the testimony before our committee, Mr. Hoffa, that not only is this true, but the drivers do not receive premium time for hauling explosives? They get paid—

Mr. HOFFA. Just a moment, until I think a second. You know, you have had time to go out and check the books and come back with answers. I am trying to get it off the top of my head for a moment.

I believe that explosive drivers are paid by percentage, not by this method. You have the records, and I think I am making a correct statement. Isn't that correct, Mr. Kennedy?

Mr. KENNEDY. The testimony before the committee and our review of the records shows that these drivers—

Mr. HOFFA. Let me see it. I read it. There is nothing in this about explosive testimony.

Mr. KENNEDY. Mr. Hoffa, there is.

Mr. HOFFA. Show it to me. What page?

Mr. KENNEDY. We will find it.

The CHAIRMAN. Some question was asked someone, one of these drivers, whether they got paid for explosives.

Mr. HOFFA. I would like to see it, sir, because I don't believe the driver who testified, and I can't think of his name, I think it is Chapman or something, he is not on an explosive run. I think he operates out of Detroit on a dry freight run. I checked into it.

Mr. KENNEDY. The second was that the owners were paid with one check. Under the contract, as you point out, they are supposed to be paid with separate checks for equipment, wages and rental. Riss & Co. does not pay the \$3 per week into the pension fund as provided by the contract, according to our review of the records. Payments into the pension fund are made by deductions from equipment rentals paid to the owner-operators. That is the third.

Mr. HOFFA. I don't believe you have any records to substantiate that statement, that Riss is not paying into the welfare or pension fund. I don't believe you have it.

Mr. KENNEDY. Here it is in the lease agreement, Mr. Hoffa.

Mr. HOFFA. Let me see it.

Mr. KENNEDY. It says:

Pension costs will be paid by the lessee from deductions paid for the equipment rental as set out above.

Mr. HOFFA. Let's explain why. The Senators can correct this, if they want to. Under the Federal law——

The CHAIRMAN. Let me get this. I didn't understand it.

Pension costs will be paid by the lessee from deductions paid for the equipment rental rate as set out above.

All right.

Mr. HOFFA. Now, sir, let me explain that. Riss & Co. as such does not operate equipment. T.M. & E. operates the equipment. T.M. & E. is an equipment operation. Under the law, when you lease a piece of equipment, other than driver-owners as such, you cannot, and if you will read our contract we specifically except it in here, you cannot take and have two checks for drivers who are not driver-owners as such, but where you have a fleet operation, and it is in here, sir, right in here——

Mr. KENNEDY. Mr. Hoffa, let me ask you about T.M. & E.

The CHAIRMAN. Let him finish.

Mr. HOFFA. Let me read it to you. Without reading it all, it starts:

Owner-operator, section 1.

At the bottom it states:

Note: Where owner-driver is used in this article, it means owner-operator only, and nothing in this article shall apply to any equipment leased except where owner is also employed as a driver.

This means, sir, that where there is a fleet operation, and T.M. & E. is equipment fleet operation, it does not come within the scope of this contract where you have two equipment checks. If we can get the employer to voluntarily do it, fine, but if we try legally to enforce the issue, we have been advised that we can find ourselves in a problem, as stated by Mr. Goldwater a while ago, of antitrust and monopoly.

We recently went all the way to the U.S. Supreme Court on this particular provision, and the U.S. Supreme Court ruled, after we had

lost in all the lower courts, ruled that this was a legal provision in our contract because we had recognized our inability to negotiate for a profit rate, but rather, only, the basic minimum rates to operate a piece of equipment, and that the driver's earnings were protected.

This was the U.S. Supreme Court ruling out of Ohio, ACEF, I believe, is the case.

The CHAIRMAN. In the contract with Riss, is this provision in article I, section 4—

Mr. HOFFA. What section, sir? The contract, do you mean?

The CHAIRMAN. Yes. I have a quote here from it. Compare it and see if it is correct.

Mr. HOFFA. You are talking about transfer of company title or of interest?

The CHAIRMAN. This is a lease agreement with the drivers. I find this. I don't know what contract it is in.

Mr. KENNEDY. That is the contract.

The CHAIRMAN. It is the contract you have. The staff advises me it is the contract you have. Article I, section 4, and I quote from it:

It is understood by this section that the parties hereto shall not use any leasing device through a third party to evade this contract.

How does that apply?

Mr. HOFFA. I will get the article here, sir. That isn't the article. I will get it here for you. That is section 18 on page 44, sir.

It is further agreed that the employer or certificated or permitted carrier will not devise or put into operation a scheme whether herein enumerated or not to defeat the terms of this agreement, and so on.

Also, there is another provision in here, where the employer agrees not to set up any device.

The CHAIRMAN. What does this provision mean?

Mr. HOFFA. I beg your pardon?

The CHAIRMAN. This provision I read to you, do you find it in the contract?

Mr. HOFFA. Yes, certainly it is here.

The CHAIRMAN. Sir?

Mr. HOFFA. It is there.

The CHAIRMAN. What does it mean? What is your interpretation of it?

Mr. HOFFA. Can I have a moment?

(The witness conferred with his counsel.)

Mr. HOFFA. I will go back to your section. You took it out of context of the contract, and they don't have the whole article. It is a sentence in the contract down in the middle of the page which reads as follows:

It is understood by this section that the parties hereto shall not use any leasing device through a third party to evade this contract.

This simply means that an employer could not take his equipment, lease it to another truck company, or have his freight distributed by another truck company, causing the drivers to lose runs or to lose their jobs. This does not apply in the situation where a company operating as Riss has, an equipment company, the equipment company being a part of the operating company, who leases the operating road material, road material, road equipment, from the leasing company.

If you will turn over, sir, to the page that belongs, not what somebody is trying to read, but what was negotiated, if you will go to the contract that calls for this article, it is on page 38, sir.

If you will take article 33, which speaks of owner-operators, and this is what we are talking about now, owner-operator with two-man operations, you will find in section 14 on page 43 the provision that deals with this situation:

It is further agreed that the intent of this clause and the entire agreement is to assure the payment of the union scale of wages provided in this agreement and to prohibit the making and carrying out of any plan, scheme or device to circumvent or defeat the payment of wage scales provided in this agreement.

This clause is intended to prevent the continuation of or formation of combinations or corporations or so-called lease or fleet arrangements whereby the driver is required and do so periodically pay losses sustained by corporations or fleet arrangements or is required to accept less than the actual cost of running this equipment and thus, in fact, reducing the scale of pay.

This is the provision you are talking about, sir.

The CHAIRMAN. Let me ask you about this: In that master contract, is it required that the employer pay the pension and welfare fund?

(At this point Senator Church withdrew from the hearing room.)

Mr. HOFFA. Except where a driver works on a percentage or works on a scale over and above the driver's rate, and then, if it is by agreement between the drivers and the union concerned, it could be deducted.

I do not believe—and I cannot say this definitely—but I do not believe this 1½ cents that is concerned so far as Riss is concerned is in lieu of pension and welfare. I will be happy to check it and give you an answer back. I don't have it here.

The CHAIRMAN. The point shown me in the contract I referred to a moment ago—

Mr. HOFFA. That is the wrong provision, sir.

The CHAIRMAN. That is a provision in here.

Mr. HOFFA. But it doesn't apply to this situation. This applies to a company owning their own equipment, and this company then tries to lease to a third party either their freight or equipment to circumvent the man on the seniority board.

The CHAIRMAN. If they make a contract for sale as they did in this instance, that relieves them of that obligation?

Mr. HOFFA. If they become driver-owners as such and not in a phony corporation. But this is T.M. & E., who does not pay drivers, but merely leases the equipment.

Mr. KENNEDY. T.M. & E. is wholly owned by Riss, Mr. Chairman.

Mr. HOFFA. That is right.

Mr. KENNEDY. The contract provides that they should not try to circumvent it by setting up a third party leasing.

Mr. HOFFA. You are right.

The CHAIRMAN. Did you know about that, that this company is owned by the same people.

Mr. HOFFA. T.M. & E. is, yes. I think it is owned by Riss, personally. It has been there for years, sir.

The CHAIRMAN. Would you regard that as a circumvention of the original contract?

Mr. HOFFA. No, sir. It is merely an equipment company which is a part of, and registered with, ICC for the continuance of operations of the permits granted by the Government.

The CHAIRMAN. I don't know, but if I am the principal owner of two companies and I switch something from one to the other, that that relieves me from an obligation. Is that the situation here?

Mr. HOFFA. No, sir. It does not relieve him of the obligation. Almost every transportation company in this country has leasing holding companies for equipment. They have them broken into four categories—terminals and real estate; operating rights; equipment owned by the company, or an equipment company that leases equipment; and the question of maintenance.

This is out of the revenue dollar.

Senator KENNEDY. Mr. Hoffa, in regard to the trucks, were you aware of the price which Mr. Riss had paid for the trucks?

Mr. HOFFA. Yes, sir.

Senator KENNEDY. Were you aware of the price he was going to charge to the drivers?

Mr. HOFFA. Yes, I was.

Senator KENNEDY. Did you feel that that markup was excessive?

(At this point Senator Ervin entered the hearing room.)

Mr. HOFFA. We had many discussions with Riss trying to get him to give us the trucks at the book value on his company. Riss contended that the trucks could run, I believe, a million miles; I am not sure. And they were only run 270-some-odd thousand miles.

Since they had only run 270,000 miles and he had taken a fast writeoff, which was permitted by the Government on trucks, he was not going to lease to the drivers the equipment—lease them so they could buy them on lease arrangement. He would not give them to the drivers on any basis other than what he could normally have recovered if he would have operated the trucks, based upon the operating quality of the truck and the writeoff that he could continue for his corporation.

Senator KENNEDY. In other words, he would not give them to the drivers for anything less than he thought he could himself realize if he maintained them in his possession?

Mr. HOFFA. That is right.

Senator KENNEDY. Did you agree with this arrangement?

Mr. HOFFA. No. We finally said this: We finally arrived at this point and we put it back to the drivers. The drivers accepted it. We still thought it was the wrong way, but the only way we could operate.

Senator KENNEDY. Did you recommend it?

Mr. HOFFA. Yes, I believe ultimately I did, when we could not get it any other way.

Senator KENNEDY. It seems to me, Mr. Hoffa, that this is really an excessive price charged by Mr. Riss. I will say why—he wrote a letter to Mr. Phil Monaghan, general manager of General Motors Co., on October 14, 1956. He said:

After 2 years the trucks are nothing near what we bought.

Then he says:

You are perfectly right in stating that these trucks are worth only \$3,500. I do not think that they are worth that, but the fact still remains that you sold them for \$12,800 each with certain specifications which you did not deliver.

I recognize that Mr. Riss is attempting to make the best deal in both directions. He is attempting to charge the drivers what he thinks the traffic will bear and he is attempting to depreciate the value of the trucks in his correspondence with Mr. Monaghan, but there is a substantial difference between \$3,500, which he states the trucks are worth in this letter, and the \$13,500 which the drivers were charged.

Mr. HOFFA. Senator, I am very well aware of what is in this record. I agree with what you are saying—there is a problem; we debated the issue.

I also would like to refer you to page 1678 in the questioning of Riss.

Mr. KENNEDY. You paid how much? You paid between \$12,500 and \$13,500 for the trucks, and you were selling them to the membership some 4 years later for what was equivalent to at least \$13,500.

Mr. Riss. As a distributor for those trucks, there is 40 percent margin on them. They list for \$19,800.

Then you go on into a discussion. You get over into the question of what Mr. Nulty states on page 1679.

At that time they had been depreciated according to their books down to \$1,628.84 a unit.

When you get over into the question of where the drivers paid a thousand dollars down and 5 cents a mile, for 275,000 miles, you will find that he could reach the fourteen thousand eight and still arrive at the compensation that he is earning today as a driver based upon his equity in the truck.

I don't agree and I cannot argue with you that they should have been able to make a better arrangement.

Riss unfortunately happened to be in the bargaining position. He was moving his freight by rail trail. He did not need the trucks.

We were trying to get them off rail trailers and get them back on the trucks and get our men to work.

This was the best arrangement to work out.

Riss is carrying the finance and he is charging his driver, I believe, without interest on the balance of the truck.

Senator KENNEDY. As I say, he himself states in this letter at this time that the trucks are only worth \$3,500. He did make a deal for over \$13,500. He only paid \$12,000 for them new.

I would think that with the influence and power which the Teamsters Union has that they could get a better deal than this.

Mr. HOFFA. I would like to say to you, Senator, I agree, we had a right to strike over this issue. We would get the trucks at a depreciated price, but unfortunately, by law, we are not permitted to put a price tag on employer's equipment, and say he must sell this equipment for this amount of money.

This is Federal law. Put it in a labor bill and we will be happy to do it, change it.

Senator MUNDT. Mr. Hoffa, do you agree with Mr. Riss' testimony? I asked him what the impact of all this was on the drivers, whether his drivers buying these trucks were better off than if they had been

working at a salary or better off than if they had been leasing the trucks from some commercial lessor.

He mentioned the Ryder people as being the lessor that would charge \$50 a week.

Mr. HOFFA. Twelve dollars a mile.

Senator MUNDT. He said:

Mr. RISS. Senator, it is my opinion that if I were going to be a truckdriver I would rather accept a deal where I am buying my own truck than I would be working for me and getting a salary, yes, that is true.

I said:

I mean on the terms and with the condition of the truck and the prices involved, and all of this testimony your testimony is these men working for you, buying these trucks on this basis, at this price, have a better deal than if they were leasing it from a private company making a business of leasing trucks, or if they were working for you as an employee getting a salary?

Mr. RISS. Well, in my opinion, Senator, let me say this to you: Please believe—

Senator MUNDT. Is it a better deal, or not as good a deal?

Mr. RISS. Sir?

Senator MUNDT. I want to find out from you whether in your opinion these men have a better deal under that situation than a poorer deal?

He goes on with his reasons. Do you agree with that testimony?

Mr. HOFFA. I have opposed at the very inception the Interstate Commerce Commission rules, the fact that they permitted the leasing of the equipment.

In my opinion, it is absolutely unnecessary and should be illegal for a man who is given a certificate by the U.S. Government to operate a truckline and then suddenly go into the brokerage business.

I have opposed; I have been taken to court. I just finished a Supreme Court hearing over the question.

If you can tell me a way I could do a favor for drivers of this country on the highway to where we could negotiate out the question of driver-owners, we will attempt to negotiate that provision out, because I think it is a detriment to transportation as such in the United States, and I think it is a detriment to the question of employees who are members of our union.

Unfortunately, it is in the law. We have to meet it. We have already gone to the Supreme Court, even to get the little of what we have here.

Senator MUNDT. So you do not agree, apparently, with Mr. Riss, that this was a good deal for the drivers; is that right?

Mr. HOFFA. I beg your pardon, sir?

Senator MUNDT. You do not agree with Mr. Riss that this was a good deal for the drivers?

Mr. HOFFA. I want to say this: It is a better deal for the drivers if they can survive the first year. I will tell you why:

When you start to drive your own piece of equipment, there are certain regular business procedures you have to learn—setting aside depreciation, setting aside money for the repair, rehabilitation of equipment, and so forth.

Now, if you get by the first year, you have sufficient experience to know how to operate this truck. You will make out better at the end of the year by paying for your tractor within 3 years, and you will also make yourself probably \$4,000 to \$5,000 a year more as a driver.

Senator MUNDT. That is good.

Mr. HOFFA. Yes; but, unfortunately, he is gambling in an investment. If this steel strike was to take place tomorrow night, the truck-drivers who own their own equipment who are just going into the business could suffer a tremendous financial loss if they could not meet their payments.

This is the danger.

Senator MUNDT. Do I understand, then, that basically you are opposed to owner-driver trucks on the part of your members?

Mr. HOFFA. Yes, sir.

I would like to see company-owned equipment. I think it would make a far better competitive situation. I think it would make a far better arrangement for drivers who would be forced to comply more closely with ICC regulations.

Senator MUNDT. If you have members who have the ability that you mention and good businessmen and can add \$4,000 to \$5,000 to their income by buying the truck, it should be good for your men?

Mr. HOFFA. As I stated, men who have had some experience do very well in this business, from 1 to 10 trucks. They are as good unionmen

We believe that they have profited, but the new fellow going in has tools with them.

We believe that they have profited, but the new fellow going in has a tremendous possible chance of being wiped out the first year. That is why I think they should not go into it just out of expediency.

Senator MUNDT. I can see how you oppose legislation which would force a man to become a driver-owner, but I do not think you would want to prohibit a fellow from becoming a driver-owner.

Mr. HOFFA. I agree. We would not want to prohibit. We would like to regulate it.

Senator MUNDT. An opportunity rather than compulsion?

Mr. HOFFA. Yes. We would like to regulate it.

Mr. KENNEDY. Mr. Hoffa, we have had some testimony in connection with Mr. Matheson, and that you were the one that suggested Mr. Matheson in connection with the negotiations that went on in New York.

Did you suggest Mr. Matheson?

Mr. HOFFA. Not in New York, sir; Washington. I guess it did go to New York first.

Mr. KENNEDY. This is 1955.

Mr. HOFFA. I want to say this—

Mr. KENNEDY. Mr. Hoffa, I just want to—

Mr. HOFFA. Wait a minute. I read the testimony. I want to make a statement so you won't have to try to say I am ducking an issue. I read it.

Now, the answer to this, that the two claimed they were in my office discussing with Carney Matheson the question of the eastern conference contract, in there they stated, I believe, somewhere loosely they implied that I thought that Carney could do the job. He is a very excellent labor relations man. He knows the business thoroughly from inside out and he is prolabor rather than promanagement.

I would rather see a man like that sitting in front of the table from our people than I would see an antilabor like Schmidt across

the table trying to destroy the union. If they would discuss it with me and ask my opinion, I would say he is a good man.

I don't remember doing it and I don't even remember the meeting, but I may have.

Mr. KENNEDY. Did you receive any of the fee that he obtained, the \$40,000 that he got in that case, directly or indirectly?

Mr. HOFFA. What did you say? What did you say?

Mr. KENNEDY. Read the question, please.

(The question was read by the reporter.)

Mr. HOFFA. Absolutely not. And you know it.

Mr. KENNEDY. You had been in business with Mr. Matheson, had you not?

Mr. HOFFA. With my own money.

Mr. KENNEDY. But you had been in business?

Mr. HOFFA. With my own money; yes.

Mr. KENNEDY. Do you have any evidence of the \$20,000 in cash that you put into the business?

Mr. HOFFA. I don't need any evidence. You will take my word for it as the Internal Revenue has.

Senator KENNEDY. Can you describe a little of it, Mr. Hoffa?

Mr. HOFFA. No, sir, I cannot, and I don't care to try to recall back my entire lifetime since I started working at the age of 17 as to how I accumulated money or how I spent it to finally arrive at having \$20,000 I could afford to invest and finally lost.

Senator KENNEDY. Could you answer, was it in cash that you put it in?

Mr. HOFFA. Yes.

Senator KENNEDY. Do you have any record of it?

Mr. HOFFA. No.

Senator KENNEDY. Can you tell us where you got the cash?

Mr. HOFFA. I accumulated it.

Senator KENNEDY. From your salary?

Mr. HOFFA. From whatever investments I had or salary or income, but it was accumulated.

Senator KENNEDY. Did any of this come out of the winnings that Mr. Brennan made at the racetrack?

Mr. HOFFA. Very easily it could have.

Senator KENNEDY. Could I ask you if Mr. Brennan is still winning at the track?

Mr. HOFFA. I believe he is. I hope he has luck this year.

Senator KENNEDY. How much have you turned over to him to gamble?

Mr. HOFFA. So far not too much. You have kept me busy.

Senator KENNEDY. How much has he won for you?

Mr. HOFFA. At this moment, I haven't been in the question of trying to make any money on horseracing this year, yet. I have been too busy.

Senator KENNEDY. In other words, as I understood, he had won \$64,000 in cash.

Mr. HOFFA. That is not hard to believe.

Senator KENNEDY. What about in 1957? How much has he won for you in cash since then?

Mr. HOFFA. I don't know. I don't have the records.

Senator KENNEDY. Do you go to the track with him?

Mr. HOFFA. I go once or twice every year.

Senator KENNEDY. And you give him the money?

Mr. HOFFA. That is right. I did. I haven't this year. I don't believe I did last year, by the way, either. I have been pretty busy here, too.

Senator KENNEDY. It is possible that this \$20,000 might have come out of the money Bert Brennan won for you at the racetrack?

Mr. HOFFA. Conceivably.

Senator KENNEDY. But you couldn't tell us any other source?

Mr. HOFFA. I have no basic figures of income per day, per week or where it came from. I filed my Internal Revenue report, and I am sure they check it. So far as I know, they haven't contested it.

Senator KENNEDY. Would you feel it to be a reasonable question if we asked you how much cash you had now?

Mr. HOFFA. I couldn't answer it.

Senator KENNEDY. You wouldn't care to answer it?

Mr. HOFFA. No.

Senator KENNEDY. You wouldn't care to tell us the sources?

Mr. HOFFA. No.

Senator KENNEDY. I have never been completely convinced, Mr. Hoffa, to be frank with you, that Mr. Brennan did win this money at the racetrack.

Mr. HOFFA. Why don't you ask him?

Senator KENNEDY. I did, and he took the fifth amendment.

Mr. HOFFA. Maybe he has a reason.

Senator KENNEDY. I think he does have a reason. You suggested that we ask Mr. Brennan. Mr. Brennan took the fifth amendment when he answered the question, and I have never considered that that was a satisfactory explanation of the cash that you had or that these several people, business agents, who themselves had to borrow money to survive, that they loaned you \$2,000 in cash without any note or without any interest.

Mr. HOFFA. Thank you for reviewing the testimony.

Senator KENNEDY. Does it suggest anything to you, Mr. Hoffa?

Mr. HOFFA. It doesn't suggest anything except this fact that you are trying again, as you have many times in this hearing, to bring a headline about or to embarrass Hoffa. That is all.

Senator KENNEDY. No. I am attempting to give you my reaction, as these hearings come to a close, as to where this cash might have come from.

Mr. HOFFA. Then you ought to read the record.

Senator KENNEDY. I want to make it clear for the record.

Mr. HOFFA. Disprove what I said.

Senator KENNEDY. I can't accept the explanation that this was won in the casual way at the racetrack by Mr. Brennan in view of the fact that Mr. Brennan takes the fifth amendment when he is asked.

Mr. HOFFA. Then you disprove it.

Senator KENNEDY. It is extremely difficult because you do deal in cash.

Mr. HOFFA. And I am going to continue.

Senator KENNEDY. You are going to what?

Mr. HOFFA. I am going to continue, sir.

Senator KENNEDY. I think that is an interesting way to conduct your affairs as the head of a large union.

Mr. HOFFA. I think it is an American way.

Senator KENNEDY. To deal in cash?

Mr. HOFFA. Any way you have as long as it is money that is subject to being able to put into trade and has paid income tax on and is gainfully earned.

Mr. KENNEDY. How much cash do you have now, Mr. Hoffa?

Mr. HOFFA. I don't know.

Mr. KENNEDY. You haven't any idea how much cash you have?

Mr. HOFFA. This is not the Internal Revenue. I refused to give them a net worth statement and I do not believe I am required to give it here.

Mr. KENNEDY. Do you have \$10,000 in cash?

Mr. HOFFA. I don't know.

Mr. KENNEDY. \$100,000?

Mr. HOFFA. Senator—

The CHAIRMAN. The witness will not be required to answer how much cash he has at the moment. He states he handles everything in cash, apparently. I don't know that that—unless we can tie it in with some particular transaction—should be required of the witness, to answer that question at this time.

Mr. HOFFA. Now, Mr. Chairman—excuse me.

The CHAIRMAN. But I do think this: I think you owe a full explanation to your union members, and to anyone who may be interested, to account for moneys that you have received and invested. I think you owe that to them because there has been testimony before this committee of transactions where there was a conflict of interest, obviously, and where union funds have been used, apparently to further your own personal interest. I think you ought to give a full explanation of those things.

Mr. HOFFA. Well, Senator, the Internal Revenue is very well aware of the situation concerning Hoffa. They are currently investigating me, as they have for a long period of time. I believe when I am required by the agency of Government concerning internal revenue to appear there, I will have the answers for them, sir.

The CHAIRMAN. That may be true. But I do say, and I wouldn't necessarily require you to answer the question of how much money you have now, if you don't want to answer it, how much cash, that anything relating to a transaction in which you paid cash or in any other way, I think an accounting of the source of the money certainly, when it is paid in cash, is proper in view of the position you hold with your union and in view of certain testimony that has been before the committee. The Chair would so rule.

All right; proceed.

Mr. HOFFA. Mr. Chairman, at this point with Mr. Matheson, sir—

The CHAIRMAN. Who?

Mr. HOFFA. Mr. Matheson was raised by Mr. Kennedy a moment ago.

The CHAIRMAN. What about it? I raised a question about him.

Mr. HOFFA. Both of you; yes, sir.

The CHAIRMAN. All right.

Mr. HOFFA. Under this particular question, in the record when Mr. Matheson was here and Mr. Grabowski was here, there was a question raised concerning the loss of \$2,000 per employee by Anchor Motor Freight drivers from Baltimore. So the record may be clear, if I may, I would like to say to you, and I know the committee has the record, that out of the local unions voting for this contract, 852 drivers participated; 524 drivers accepted the contract; 328 drivers rejected the contract.

I might say also that the contention of Grabowski is not borne out by the facts, and that I have here in my hand, and I am willing to give it to the committee, but I am sure you have a copy of it, an award by an arbitrator, and the man's name is Lawrence Seibel, arbitrator, and under this award, sir, Hoffa did not make any arrangements for relays as you would have somebody believe by the record or by the newspapers.

But in this award, where there was an arbitrator, and Grabowski and everybody except Hoffa participated, there is an award which states as follows:

The establishment of the York Haven relay terminal was an operational change necessary in the conduct of the company's business and, therefore, permitted under the provisions of article 29, section 2, of the agreement. The terms of the local agreement offered by the company maintained working conditions at the minimum standards provided in this agreement and, therefore, met the requirements of article 5, section 1.

Signed June 3, 1959, by Mr. Lawrence E. Seibel.

I may also say that in this particular award the contention of the company was that the GE facilities were such that they couldn't handle it with their equipment. I might say also that GE has announced since this award that they are going to double the plant in Baltimore. I have also statements here from the company, which I requested from their records, concerning the statement that Grabowski made, that the employees working for Anchor Motor Freight make less money now than they did then.

I have here the drivers' logs and the drivers' pay sheets out of the company records which I would like to have placed into the record, if I may, sir, to refute that statement. It is subject to your investigation, if you desire. It is both the arbitration award, the vote, and this particular listing of wages.

The CHAIRMAN. It may be submitted. It will be made exhibit No. 95.

(Document referred to was marked "Exhibit No. 95" for reference and may be found in the files of the select committee.)

(At this point Senator Curtis entered the hearing room.)

Mr. KENNEDY. Mr. Hoffa, did you ever find the waiver to the Sun Valley?

Mr. HOFFA. No.

Mr. KENNEDY. You were never able to find it?

Mr. HOFFA. No. You will note, I believe, when Burris testified here, that he had to get from me a new waiver, waiving my equity and the option I had because I was unable to give him the original options, which I couldn't supply you.

Mr. KENNEDY. It just states here that you waive your option to 45 percent.

Mr. HOFFA. You are right. Because I couldn't find the original option for him no more than I could for you. I had to waive it by that method.

Mr. KENNEDY. It says,

I, James R. Hoffa, hereby waive my option to purchase 45 percent of the stock in Sun Valley granted by Henry Lower on April 15, 1955.

It is signed "James R. Hoffa."

Mr. HOFFA. What is the problem?

Mr. KENNEDY. How did you know it was dated April 15, 1955?

Mr. HOFFA. Probably by a little research from the accountant. Burris probably found it out. It was registered someplace. I don't know.

Mr. KENNEDY. How did he find out?

Mr. HOFFA. I don't know.

Mr. KENNEDY. That is the option, you say, that is dated April 15, 1955. If you didn't have the option, how did you know the date?

Mr. HOFFA. Maybe Lower was able to recall it, or Lower's lawyer; I don't know. But, in any event, I waived it because I couldn't find the document I couldn't give you for him.

Mr. KENNEDY. I don't know how anybody could remember an exact date.

Mr. HOFFA. You have been asking me for months to do it.

Mr. KENNEDY. You haven't been able to remember it. You haven't been able to remember hardly anything, Mr. Hoffa.

Mr. HOFFA. That isn't true.

Mr. KENNEDY. Here we have this dated November 25, 1958. We have gone through your testimony today as to what you can remember and what you cannot. Here you say you haven't found your option; yet in this waiver of option you specify the date, April 15, 1955.

Mr. HOFFA. I have answered the question, Mr. Kennedy, to the best of my ability.

Mr. KENNEDY. Mr. Hoffa, on the question of Mr. Benjamin Dranow, did you go through Mr. Benjamin Dranow in order to make certain purchases of Teamsters' jackets?

Mr. HOFFA. Yes.

Mr. KENNEDY. Did you have conversations with him?

Mr. HOFFA. Yes.

Mr. KENNEDY. That was despite the fact, as shown by testimony before this committee, that the loan had been made to the department store up in Minneapolis that went bankrupt. It was revealed before the committee that Mr. Benjamin Dranow—

Mr. HOFFA. You know that isn't correct, sir. That is absolutely incorrect, that statement you are making for the record, and you know it. You know they went into chapter 10, and you know that Holiday House took over the mortgage that was the John W. Thomas Stores, and you know today that that mortgage is completely paid up as required by our contract, both interest, insurance, and principal, and you know full well that the question of Holiday House has increased the collateral for that \$1 million loan in Minneapolis, and that Benjamin Dranow has nothing further to do with that loan. You know it, and I know it. Please put it into the record.

Mr. KENNEDY. Mr. Hoffa, if you would listen to what I said—

Mr. HOFFA. I know what you are trying to do.

Mr. KENNEDY. The loan was made of \$1 million and it went into bankruptcy—

Mr. HOFFA. Who is the chairman? I would like to appeal to the chairman.

I would like to appeal to the Chair, Senator Mundt, that we do not put into the record incorrect statements that the investigator knows full well is not true. This went into chapter 10, reorganization. It did not go into bankruptcy.

Senator MUNDT. Your position is that it did not go into bankruptcy?

Mr. HOFFA. That is correct. It went into chapter 10.

Mr. KENNEDY. Chapter 10 is—

Mr. HOFFA. Reorganization.

Mr. KENNEDY. It is under the bankruptcy laws.

Mr. HOFFA. But it is not bankruptcy, and you know it.

Senator MUNDT. The Chair suggests that counsel rephrase the question and talk about chapter 10.

Mr. KENNEDY. I will say he had financial difficulty. The loan of \$1 million was made to the department store when Mr. Benjamin Dranow operated it and ran it. The department store got into financial difficulties at that time under the bankruptcy laws.

Mr. HOFFA. Chapter 10.

Mr. KENNEDY. Chapter 10 of the bankruptcy laws. It was also revealed before the committee that he was down in Miami, Fla., at the time, with Mr. Gerald Connelly, at the time there was some planning in connection with some dynamiting.

Mr. HOFFA. Don't attribute that to me.

Mr. KENNEDY. I am not. It was also revealed that he hired Gerald Connelly's son to work in the department store under a fictitious name; that he paid some of Gerald Connelly's legal bills, initially; that all of these things were revealed before the committee. He appeared before the committee and took the fifth amendment. Why is it then that you would go to him for this financial transaction in connection with the Teamsters jackets?

Mr. HOFFA. Well, it is a very simple explanation. Dranow happened to have a long history of being able to buy merchandise on the New York market as a buyer, as an owner and otherwise, and I thought it well that we use an experienced man to get the best deal we could get for the jackets, and I am satisfied that the deal we got was comparable to what anybody else could do.

Mr. KENNEDY. Did you get bids from various companies?

Mr. HOFFA. I did not; Dranow handled the transactions. I assume he did. But the best evidence is that they are \$12.75 per jacket, and I don't think anybody here can buy jackets for \$12.75 of the nature we have.

Mr. KENNEDY. Mr. Hoffa, the man who made the jackets, and this is an additional matter, despite the fact that he had this background, nevertheless, after he appeared before the committee and had taken the fifth amendment, you went to him to get these jackets. He went to the various contractors and said that he wanted a commission for these jackets.

Mr. HOFFA. But he didn't get it; did he?

Mr. KENNEDY. He did obtain a commission totaling approximately \$25,000.

Mr. HOFFA. No, sir. You can't show me that in the record.

Mr. KENNEDY. Mr. Hoffa—

Mr. HOFFA. Show me in the record, if you please. I read the record and checked the record and there is nothing in the record that indicates Benjamin Dranow got any commission at all except \$2,000.

Mr. KENNEDY. Mr. Svirsky testified before the committee.

Mr. HOFFA. No, sir. I would appreciate the Chair, if you will, to let me see the paragraph, the page, that Svirsky testified on that to, because I read Svirsky's testimony, and it just isn't there.

The CHAIRMAN. Well, let's proceed.

Mr. KENNEDY. I will tell you specifically what he stated, Mr. Hoffa.

Mr. HOFFA. Give me the page, please.

Mr. KENNEDY. He stated commissions were paid to the Banner Mercantile Co. at Mr. Dranow's request, that they totaled, from his company alone, some \$12,000. That was from the Svirsky's, who made the majority of them. So they received a commission. That was according to his own testimony and a review of the records.

The second thing is that we have the testimony before the committee of the man who actually made the jackets, and he said that he could have made the jackets for some \$50,000 less, a \$50,000 saving to the Teamsters.

In view of the background of Mr. Dranow, I wonder why you went through him when you could have gone independently and gotten bids on it and saved the Teamsters Union some \$50,000?

Mr. HOFFA. Senator McClellan, I appeal to you to get the page and the date of this testimony, because it is incorrect and inconclusive testimony that is being placed into the record. I would like to have an opportunity to read into the record what was stated on the \$50,000. It was an estimation by one of your individuals.

Mr. KENNEDY. No, it wasn't, Mr. Hoffa.

Mr. HOFFA. Give me the page. I would like to read it.

Mr. KENNEDY. We will get it. Can we have a 5-minute recess, Mr. Chairman, to get it?

The CHAIRMAN. Do you have a copy of the testimony, Mr. Hoffa?

Mr. HOFFA. No, sir; but I would like to see it, because it is going into the record that \$50,000 was used that could purchase jackets and there is no such testimony.

The CHAIRMAN. We will take a 5-minute recess. Everybody be at ease.

Look up the record.

(A short recess was taken, with the following members of the select committee present: Senators McClellan, Mundt, Kennedy, Ervin, Goldwater, and Curtis.)

(At the expiration of the recess, the following members of the select committee were present: Senators Curtis, and Mundt.)

Senator MUNDT. The committee will come to order, please.

I think counsel has found the record now. Counsel may proceed to give the witness the record.

Mr. KENNEDY. All afternoon we have been going back and forth with Mr. Hoffa. This morning he spent the time saying he could not remember the answers to any questions.

This afternoon he spent the time stating these things are not in the record, challenging the question of whether it was in the record.

In every instance we found the matter in the record. Once again this afternoon when we bring up the fact of these jackets, Mr. Hoffa instead of answering the question, instead of meeting the issue, once again makes a speech about the fact it is not in the record.

I point to page 760 of the record in the testimony of Mr. Svirsky. Where Mr. Hoffa states there were no commissions paid to Mr. Dranow in this matter, Mr. Svirsky states there was a commission paid.

Mr. Hoffa also challenged the question as to whether the Teamsters could have done these jackets for less.

We have the testimony of Mr. Pitell, on page 578, which shows if they had gone out on bids they could have saved at least \$50,000.

The tactics of Mr. Hoffa, saying first he can't remember and then making a speech about the matter not being in the record, are completely dishonest.

Mr. HOFFA. Mr. Chairman, I would like to make a comment that Hoffa has refreshed his memory by reading the record in anticipation of coming here, but Hoffa cannot refresh his memory unless Mr. Kennedy can give him the record to read from.

The CHAIRMAN. I thought you said you had read the record.

Mr. HOFFA. I said I had read the record. That is why I can answer the question concerning what is in the record.

When he asked me from my mind, my memory, something that transpired over a long period of time, without having something to refresh my memory about, then I have the right to be careful in trying on a minute's notice to recall.

Mr. KENNEDY. You stated specifically, Mr. Hoffa, about my statement, that the fact that Mr. Dranow received a commission was not in the record. We find it is in the record in Mr. Svirsky's testimony.

The CHAIRMAN. I have before me page 760. Do you have the same page?

Mr. HOFFA. No, sir; I saw the record. Svirsky said he paid 5 percent; \$17,000 one time.

My argument with Mr. Kennedy was that he had no right to say we could get this for \$50,000 less because I have here a diagram which Mr. Kennedy drafted.

Mr. KENNEDY. Let us go back to the testimony to find if in fact you did say that. I want to go back. You said this was not in the testimony.

This is typical of your testimony this afternoon, Mr. Hoffa. You made a lot of speeches, but you have not refuted any of the testimony of the staff.

Mr. WILLIAMS. Mr. Chairman, may we not go forward with questioning here? We are engaging in this argument.

The CHAIRMAN. Let us get the record. The issue was first whether there had been any commissions paid.

Mr. KENNEDY. Could I have them read back what Mr. Hoffa stated at that time before the recess?

The CHAIRMAN. Let us see what Mr. Hoffa stated. Let us see what the issue was that Mr. Hoffa was supposed to clear up.

What is Mr. Hoffa's statement about the record, about denying that a commission was paid? That is what I want.

Mr. KENNEDY. Could you read the first part, please, where we start off? You will have to read the whole exchange.

Mr. KENNEDY. I will say he had financial difficulty. The loan of \$1 million was made to the department store when Mr. Benjamin Dranow operated it and ran it. The department store got into financial difficulties at that time under the bankruptcy laws.

Mr. HOFFA. Chapter 10.

Mr. KENNEDY. Chapter 10 of the bankruptcy laws. It was also revealed before the committee that he was down in Miami, Fla., at the time, with Mr. Gerald Connelly, at the time there was some planning in connection with some dynamiting.

Mr. HOFFA. Don't attribute that to me.

Mr. KENNEDY. I am not. It was also revealed that he hired Gerald Connelly's son to work in the department store under a fictitious name; that he paid some of Gerald Connelly's legal bills, initially; that all of these things were revealed before the committee. He appeared before the committee and took the fifth amendment. Why is it then that you would go to him for this financial transaction in connection with the Teamsters jackets?

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Mr. HOFFA. But he didn't get it; did he?

Mr. KENNEDY. He did obtain a commission totaling approximately \$25,000.

Mr. HOFFA. No, sir. You can't show be that in the record.

Mr. KENNEDY. Mr. Hoffa—

Mr. HOFFA. Show me in the record, if you please, I read the record and checked the record and there is nothing in the record that indicates Benjamin Dranow got any commission at all except \$2,000.

Mr. KENNEDY. Mr. Svirsky testified before the committee—

Mr. HOFFA. No, sir. I would appreciate the Chair, if you will, to let me see the paragraph, the page, that Svirsky testified on that too, because I read Svirsky's testimony and it just isn't there.

The CHAIRMAN. The Chair reads from page 760 hurriedly.

Mr. KENNEDY. Mr. Svirsky, what arrangements, or what did he state to you at that time?

Mr. SEYMOUR SVIRSKY. We had a mutual understanding that we would have a 5-percent commission on the Teamster jacket deal.

Mr. KENNEDY. That you would pay him a 5-percent commission?

Mr. SEYMOUR SVIRSKY. But there was nothing in writing, just a mutual understanding.

Mr. KENNEDY. That you would give him a 5-percent commission?

Mr. SEYMOUR SVIRSKY. Yes.

Mr. KENNEDY. And that he in turn would arrange for you to make some of the Teamster jackets?

Mr. SEYMOUR SVIRSKY. We would arrange to make the Teamster jackets.

The CHAIRMAN. What were they to sell for?

Mr. SEYMOUR SVIRSKY. Do you mean wholesale or retail?

The CHAIRMAN. What were you to get for them? I am trying to determine how much you would pay a commission on for each jacket.

Mr. SEYMOUR SVIRSKY. Five percent.

The CHAIRMAN. Of what?

Mr. SEYMOUR SVIRSKY. Of \$12.75. I am sorry.

Mr. KENNEDY. You paid to Mr. Dranow a total of some \$17,000 and he repaid on a loan \$3,000; is that correct?

Mr. SEYMOUR SVIRSKY. That is to my knowledge. That sounds right.

Mr. KENNEDY. You have gone over these figures with Mr. Bellino?

Mr. SEYMOUR SVIRSKY. Yes; that is about right. I believe so.

Mr. KENNEDY. The checks started to Mr. Dranow on March 11, 1958, and continued through—we have the checks here—July of 1958?

Mr. SEYMOUR SVIRSKY. That is right, sir.

Mr. KENNEDY. March 11 is the first one.

The CHAIRMAN. This percentage commission, that meant that he got 63 cents, or nearly 64 cents on each jacket?

Mr. SEYMOUR SVIRSKY. Whatever it amounts to on 5 percent, sir.

The CHAIRMAN. 63.75, according to my calculation.

That is 63 cents and a fraction.

I asked Mr. Bellino:

That was his commission on this jacket deal that you had been able to trace?

Mr. BELLINO. Yes, sir.

That is part of the record about the commission. Where is the other part?

Mr. KENNEDY. This is all in here, Mr. Chairman.

The CHAIRMAN. Well, the testimony of Mr. Svirsky is positive that he got around 63 or 64 cents per jacket commission.

All right, let us proceed.

The record will speak for itself, but that is the record of Mr. Svirsky's testimony.

Mr. KENNEDY. The second point Mr. Hoffa challenged, and once again it was in the record that the Teamsters could have obtained these jackets at less expense if they went and obtained bids on them instead of going through Mr. Benjamin Dranow.

The CHAIRMAN. The Chair will state this briefly here.

Mr. KENNEDY. Again Mr. Hoffa challenged the question of whether that was in the record.

Mr. HOFFA. I challenge the fact that it was a correct statement. It was an assumption. That is what I said.

The CHAIRMAN. This man Pitell says he could have made them for \$10.50. I don't know whether he is telling the truth or not, but that is what he swore to.

Mr. HOFFA. That is the problem. The record says \$10, but nobody would take the bid for less than \$10.50.

Mr. KENNEDY. What is that?

Mr. HOFFA. I said that while he said it would be \$10.50 the very fact is that nobody would make them at \$10.50—and nobody would make them at \$10.50. It was \$12.75.

Ultimately for the women's jackets it cost \$13.75, and Svirsky went broke making the jackets at \$12.75, and your own little diagram you have on the blackboard in the hallway set up the various companies that manufactured jackets.

Mr. KENNEDY. Here we go with a speech. Did you obtain bids from the various companies—listen to my question, please.

The CHAIRMAN. Dranow obtained no bids, according to the record. Do you say he did?

Mr. HOFFA. I said I did not take any bids, apparently Dranow did.

The CHAIRMAN. No bids were obtained. They were bargained for at \$12.75 and commission was paid.

Mr. KENNEDY. Mr. Pitell, the man who made the jackets for Mr. Svirsky stated before this committee that he would have been glad to do this work for \$10.50, which would have resulted in a saving to the union of some \$50,000, which was lost because of Mr. Hoffa's friendship with Mr. Benjamin Dranow.

Mr. HOFFA. That is an assumption on your part. I will place an order now for \$10.50 if you can get it for the jackets. I challenge you to get it for \$10.50.

The CHAIRMAN. Let us proceed. This committee is not in the business of seeking orders for jackets. We just take testimony. Let us proceed. I do not care whether any more are made. We have this record. Let us go now.

Mr. Hoffa says he could not have gotten them any cheaper, he turned it over to Dranow, period.

Dranow got the commission. Let us go.

Mr. KENNEDY. Mr. Hoffa, have you had any other financial transactions with Mr. Dranow?

Mr. HOFFA. I told you when I was here before that I had loaned him some money.

Mr. KENNEDY. How much was that?

Mr. HOFFA. I think I said maybe up to a thousand dollars at various times. Loaned the money on and off. I think it never exceeded a thousand dollars.

The CHAIRMAN. Was that a personal loan?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. Were those in cash?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. Has he ever loaned or given you any money?

Mr. HOFFA. I have had no business with Dranow.

Mr. KENNEDY. Has he ever loaned or given you money?

Mr. HOFFA. He may have loaned me a hundred dollars when I was a little short somewhere with him.

Mr. KENNEDY. I mean over a hundred dollars?

Mr. HOFFA. I can't recall of any loan.

Mr. KENNEDY. Nothing over a hundred dollars?

Mr. HOFFA. No.

Mr. KENNEDY. In 1958 and 1959 have you received any money from either Allen or Paul Dorfman?

Mr. HOFFA. Did I receive any money from them?

Mr. KENNEDY. Any money, loans, or gifts, directly or indirectly, from Allen or Paul Dorfman, 1957, 1958, 1959? I want to give you the 3 years.

Mr. HOFFA. They gave me no money.

Mr. KENNEDY. Did they make any loans to you?

Mr. HOFFA. Now, if you are talking about the question—let us get it clear now—of somebody trying to say that Allen Dorfman paid somewhere, and I read this in the paper, somewhere a premium on an insurance policy that I had—

Mr. KENNEDY. Beyond that?

Mr. HOFFA. No; he did not.

Mr. KENNEDY. He has not given you or loaned you any money, any of the Dorfman's, directly or indirectly?

Mr. HOFFA. No.

(Members of the select committee present at this point in the proceedings: Senators McClellan, Goldwater, and Curtis.)

Mr. KENNEDY. Did the Dorfman pay any money on your behalf during the period 1957, 1958, or 1959?

Mr. HOFFA. For what?

Mr. KENNEDY. For any reason whatsoever.

Mr. HOFFA. Not to my knowledge.

Mr. KENNEDY. Did they give you any money that you in turn were to give to anyone else?

Mr. HOFFA. No.

Mr. KENNEDY. Specifically, did you receive an envelope of money from them during the trial in 1957 up in New York?

Mr. HOFFA. I did not.

Mr. KENNEDY. In connection with the wiretapping trial?

Mr. HOFFA. I did not.

Mr. KENNEDY. Did you receive any money from them directly or indirectly during that trial?

Mr. HOFFA. I did not.

Mr. KENNEDY. Do you know if anyone else received any money directly—anyone associated with you received any money directly or indirectly from any of the Dorfman?

Mr. HOFFA. I can only speak for myself.

Mr. KENNEDY. Well, during that period of time, to your knowledge, did anyone receive any money directly or indirectly from any of the Dorfman?

Mr. HOFFA. Not to my knowledge.

Mr. KENNEDY. I am not meaning just that you happened to be present, but were you told about it or did you learn about it, the fact that they had received some money from the Dorfman?

Mr. HOFFA. Who are we talking about, so we get this straight?

Mr. KENNEDY. Just anyone that is associated with you.

Mr. HOFFA. Associated with me to what extent? I know a lot of business people that Dorfman knows, and I am not going to speculate whether or not Dorfman gave money to business people. If you are talking about me, I will speak for Hoffa, but I am not going to speak for anybody else.

Mr. KENNEDY. I will particularize it, then. Did anyone receive any money from the Dorfman, directly or indirectly, who was associated with you in that trial up in New York?

Mr. HOFFA. Well, that is—

(The witness conferred with his counsel.)

Mr. HOFFA. I don't know of anybody that got any money.

Mr. KENNEDY. From the Dorfman?

Mr. HOFFA. I don't know. You are saying that Allen or Paul Dorfman supposedly gave me money?

Mr. KENNEDY. I am just asking you.

Mr. HOFFA. The answer is "No." You are talking about 1957-59.

Mr. KENNEDY. Mr. Chairman, could I call another witness?

The CHAIRMAN. In connection with this matter?

Mr. KENNEDY. In connection with this testimony.

The CHAIRMAN. All right.

Mr. KENNEDY. Well, I will have to call two more witnesses. It will not take long.

The CHAIRMAN. Let's hurry.

Call your witnesses.

Mr. KENNEDY. Mr. Levine.

The CHAIRMAN. This is the testimony that Mr. Hoffa should be given the opportunity to refute?

Mr. KENNEDY. That is correct.

The CHAIRMAN. Do you have an attorney?

Mr. LEVINE. I am an attorney, sir.

The CHAIRMAN. Good.

Be sworn, please.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LEVINE. I do.

TESTIMONY OF EDWARD LEVINE

The CHAIRMAN. What is your name, your place of residence, and your profession or occupation?

Mr. LEVINE. Edward H. Levine, 180 East 17th Street, Brooklyn, N.Y. I am a lawyer by occupation, located at 120 Broadway, New York City.

The CHAIRMAN. And you waive additional counsel?

Mr. LEVINE. Indeed I do, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Levine, you did some work for Mr. Bernard Spindel during the wiretap trial?

Mr. LEVINE. I represented him in 1958, but I never participated in the trial because our relationships ended before the trial.

Mr. KENNEDY. Did Mr. Spindel tell you, when he retained you, in the conversation, did he tell you whether he was going to pay you or not?

Mr. LEVINE. Well, Mr. Kennedy, I have a telegram from Mr. Spindel in which he directs me rather emphatically that he is insisting upon his privileges of attorney-client.

While I personally wouldn't have any objection, I feel that the privilege is his, and my lips are sealed as far as any conversations that I had with him on this attorney and client basis.

Mr. KENNEDY. Of course, you have already told us, have you not, Mr. Levine?

Mr. LEVINE. I have said something to your investigator, which, of course, transcended what I had a right to say. But I don't have to repeat it again, sir.

Mr. KENNEDY. I am not going to go into the personal conversations that you have had with Mr. Spindel. I am just going into the question of the fee and how it was paid to you.

I will go over the question then of what Mr. Spindel asked you or said to you about the fact.

Well, I will go beyond that, the fact that he indicated that you would be paid by someone else.

It is correct, is it not, that you and Mr. Spindel went to room 1730 of the Statler Hotel and were there in Detroit from February 4 to February 6, 1958?

Mr. LEVINE. Yes, sir.

Mr. KENNEDY. And it is correct, is it not, that you went to Mr. Hoffa's headquarters in Detroit in that period of time?

Mr. LEVINE. Yes, sir.

Mr. KENNEDY. And isn't it correct that during that period of time you were paid a sum of money?

Mr. LEVINE. Yes, sir, I received a sum of money.

Mr. KENNEDY. How much money did you receive?

Mr. LEVINE. Well, he refuses to let me mention the amount. I would like to respect his wishes.

Mr. KENNEDY. Mr. Chairman, he has already told us.

The CHAIRMAN. I think we have held that the amount of fee you charge or receive is something that can be required to be told. But as to any conversation that your client had with you, any communication, with respect to the matter in controversy or the subject matter he employed you about, it is privileged. But you have told the staff, and I will permit them to ask you questions as to what you told them, if you have made a statement that can be established, whatever statement you made, you and Mr. Spindel both, or either of you. But as to the amount of fee, we have ruled not only in this committee, but in the Senate Permanent Subcommittee on Investigations, and it has been ruled that way before I became chairman, that you would be required to state the amount of fee you charged or received.

Mr. LEVINE. \$10,000.

Mr. KENNEDY. How much money?

The CHAIRMAN. \$10,000.

Mr. KENNEDY. What was that in the form of, check or by cash?

Mr. LEVINE. I received it in cash.

Mr. KENNEDY. From whom did you receive it?

Mr. LEVINE. From Mr. Spindel.

Mr. KENNEDY. Who was present at the time? Who handed the money to Mr. Spindel?

Mr. LEVINE. There was an envelope handed to Mr. Spindel and Mr. Spindel handed it to me.

Mr. KENNEDY. And by whom was the envelope handed to Mr. Spindel?

Mr. LEVINE. Well, I was under the impression that I didn't recall who it was, but I have found out since that it was Mr. Brennan.

Mr. KENNEDY. Mr. Owen Bert Brennan?

Mr. LEVINE. Mr. Bert Brennan.

The CHAIRMAN. Were you present and did you see him hand him the envelope?

Mr. LEVINE. Oh, yes.

The CHAIRMAN. And he, in turn, handed the envelope to you?

Mr. LEVINE. Then Spindel handed it to me.

The CHAIRMAN. And it had \$10,000 in it?

Mr. LEVINE. That is right.

Mr. KENNEDY. Isn't it correct that while you were in the headquarters, you and Spindel were called into another room by Bert Brennan for this purpose?

Mr. LEVINE. Yes.

Mr. KENNEDY. And wasn't it the bathroom that you were called into?

Mr. LEVINE. Well, I had no recollection. It might well have been. I didn't take particular note. I was interested in what was in that envelope.

The CHAIRMAN. That is an understandable interest.

Senator CURTIS. Where did Mr. Brennan get the envelope?

Mr. LEVINE. That I can't say, Senator.

Senator CURTIS. How many people were present, during any time that the envelope was out where you could see it?

Mr. LEVINE. Well, just Mr. Brennan, Mr. Spindel, and myself.

Senator CURTIS. Was Mr. Brennan your client?

Mr. LEVINE. No, sir.

Senator CURTIS. Did he tell you where he got the money?

Mr. LEVINE. He did not.

Senator CURTIS. Do you know where he got the money?

Mr. LEVINE. I do not.

Mr. KENNEDY. You opened the envelope when you went back to the room; is that right?

Mr. LEVINE. Yes, sir.

Mr. KENNEDY. When you opened it, you counted out the \$10,000?

Mr. LEVINE. That was the first opportunity I had to count it.

Mr. KENNEDY. And what kind of bills was this \$10,000 in?

Mr. LEVINE. All \$50 bills.

Mr. KENNEDY. And were they wrapped up, with a bank wrapper?

Mr. LEVINE. I didn't take note of that, sir.

Mr. KENNEDY. Do you know if they were new bills or old bills? They were all 50's?

Mr. LEVINE. I don't believe they were new, sir.

Mr. KENNEDY. When you got back to the room, did Mr. Spindel, your client, ask you for a loan of \$3,000?

Mr. LEVINE. That I refuse to answer, sir, on the ground that it is privileged communication.

The CHAIRMAN. I doubt if it would be privileged, but I am not going to quibble about it. If he is borrowing money from you, I doubt if that is a privileged communication.

Mr. LEVINE. He didn't borrow.

Mr. KENNEDY. Isn't it a fact that you hid the money in one of your slippers, around which you tied a necktie, and you held on to the tie all night so Spindel wouldn't take the money?

Mr. LEVINE. I put it in one of my slippers. I mean, I just wanted to make sure that it stuck to me.

Mr. KENNEDY. Then you went back to New York, and shortly afterward you received a telegram from Mr. Spindel telling you that he no longer wished you to represent him; is that right?

Mr. LEVINE. That is correct.

Mr. KENNEDY. And you were angry at that and had no intention of returning the money to Spindel. However, you were prevailed upon by Mr. Singer who, I believe, was Mr. Hoffa's attorney, and George Fitzgerald, and you finally wrote a \$5,000 check to Arnold Frassler; is that correct?

Mr. LEVINE. That is right.

Mr. KENNEDY. Then Frassler was the one who had been selected to represent Spindel in connection with the second wiretap trial.

That is all.

The CHAIRMAN. Who induced you to return the fee? That is, the \$5,000. You got \$10,000 and you returned \$5,000?

Mr. LEVINE. That is right.

The CHAIRMAN. Who persuaded you to return it?

Mr. LEVINE. Well, I didn't have to be persuaded, sir, because that encompassed the actual trial, and as a result of having given up two other matters while I was preparing for the trial, I thought that I should keep half.

The CHAIRMAN. You kept half. To whom did you return the other half?

Mr. LEVINE. To this other lawyer, Fassler.

The CHAIRMAN. I understood him to ask you something about some other folks contacting you about it. Who directed you to turn it over to the other lawyer?

Mr. LEVINE. No one directed me, sir. Somebody spoke to me about it.

The CHAIRMAN. Who?

Mr. LEVINE. Mr. Fitzgerald.

The CHAIRMAN. Who is he? That is, as related to the Teamsters Union.

Mr. LEVINE. He is an attorney who represented them in certain facets of their work.

The CHAIRMAN. He is their attorney?

Mr. LEVINE. Well, he wasn't the attorney in that particular case.

The CHAIRMAN. No, but he is the general attorney, one of the general attorneys.

Mr. LEVINE. So I assume, sir.

The CHAIRMAN. All right.

Proceed.

Are there any other questions of this witness?

Mr. KENNEDY. That is all.

The CHAIRMAN. Thank you.

Call the next witness.

Mr. KENNEDY. Mr. Brennan.

TESTIMONY OF OWEN B. BRENNAN, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER

The CHAIRMAN. Mr. Brennan, come around.

Mr. Brennan, will you be sworn? Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BRENNAN. I do.

The CHAIRMAN. State your name, place of residence, and your business or occupation.

Mr. BRENNAN. Owen B. Brennan, 41801 Wilcox Road, Plymouth, Mich.

The CHAIRMAN. What is your business or occupation?

Mr. BRENNAN. On advice of counsel I respectfully decline at this time to answer under the fifth amendment to the U.S. Constitution and assert my privilege not to be a witness against myself.

The CHAIRMAN. Let the record show that Mr. Allder appears as his counsel.

Mr. Kennedy, you may proceed.

Mr. KENNEDY. Will you tell us where you received the \$10,000 in cash, Mr. Brennan?

Mr. BRENNAN. I respectfully decline to answer at this time under the fifth amendment to the U.S. Constitution and assert my privilege not to be a witness against myself.

The CHAIRMAN. You are talking about the \$10,000 in the envelope that you gave to Mr. Levine—you gave to Mr. Spindel, and he gave to Mr. Levine. You know what \$10,000 he was talking about, did you not?

Mr. BRENNAN. I respectfully decline at this time to answer under the fifth amendment to the U.S. Constitution and assert my privilege not to be a witness against myself.

The CHAIRMAN. Well, I think you know now because I have identified it to you. Do you want to change your statement?

Mr. BRENNAN. I respectfully decline at this time to answer under the fifth amendment—

The CHAIRMAN. Proceed, Mr. Kennedy. He does not want to change his statement.

Mr. KENNEDY. We have an affidavit here from Sol Gelb. Actually, it is not sworn to. May I ask questions based on it?

The CHAIRMAN. You may ask questions based on it but it is not evidence unless sworn to.

Mr. KENNEDY. He made a statement, an unsworn statement that:

There was a codefendant in the wiretap case named Bernard Spindel. I recommended Harris B. Steinberg—

another lawyer—

25 Broad Street, New York, an attorney admitted to practice in New York representing Spindel. To the best of my recollection, I spoke to Mr. George Fitzgerald and Bernard Spindel concerning the retaining of Steinberg. Mr. Spindel could not pay Mr. Steinberg a fee. This was brought to the attention of Defendants Hoffa and Brennan. It is my best recollection in the fall of 1957, during a visit to Detroit, Mich., Bert Brennan gave me \$2,500 in cash for Mr. Steinberg's fee.

Did you give him that \$2,500 in cash?

Mr. BRENNAN. I respectfully decline at this time to answer under the fifth amendment to the U.S. Constitution and assert my privilege not to be a witness against myself.

The CHAIRMAN. Mr. Counsel, is that statement signed by the party making it?

Mr. KENNEDY. Yes, sir.

The CHAIRMAN. But it is not sworn to?

Mr. KENNEDY. That is correct.

The CHAIRMAN. This is a signed statement. You know that to be correct?

Mr. KENNEDY. Yes, sir.

The CHAIRMAN. I will not put it in the record as evidence. The record shows that you are quoting from the signed statement.

Mr. KENNEDY. Will you tell us where you received all these \$50 bills, Mr. Brennan?

Mr. BRENNAN. I respectfully decline at this time to answer under the fifth amendment to the U.S. Constitution and assert my privilege not to be a witness against myself.

The CHAIRMAN. Let me ask you this: Was the Teamsters Union paying the attorney for Mr. Spindel and did you know that to be a fact?

Mr. BRENNAN. I respectfully decline at this time to answer under the fifth amendment to the U.S. Constitution and assert my privilege not to be a witness against myself.

Mr. KENNEDY. Did Mr. Hoffa know that such moneys were being paid out of the Teamsters Union funds for this service?

Mr. BRENNAN. I respectfully decline at this time to answer under the fifth amendment to the U.S. Constitution and assert my privileges not to be a witness against myself.

The CHAIRMAN. Did you discuss this transaction with Mr. Hoffa with respect to the paying of Mr. Spindel's attorney?

Mr. BRENNAN. I respectfully decline at this time to answer under the fifth amendment to the U.S. Constitution and assert my privilege not to be a witness against myself.

The CHAIRMAN. What possible interest could working people in the Teamsters Union, dues-paying members, have in whether Mr. Spindel was tried or not tried or whether he was convicted or not convicted?

Mr. BRENNAN. I respectfully decline at this time to answer under the fifth amendment of the U.S. Constitution and assert my privilege not to be a witness against myself.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Brennan, is any of this cash that you always seem to have available and which you share with Mr. Hoffa periodically, is any of that money, any or all of the money coming from employers?

Mr. BRENNAN. I respectfully decline at this time to answer under the fifth amendment to the U.S. Constitution and assert my privilege not to be a witness against myself.

Mr. KENNEDY. Isn't it correct that that is the source of all of this money that you have received as payoffs during the period of the last 20 years that you have been active in the trade-union movement? That much of the money for you and Mr. Hoffa is given to you and that you hold it and that it is charged to the so-called gambling, collections received or gambling, when in fact it comes from employers?

Mr. BRENNAN. I respectfully decline at this time to answer under the fifth amendment to the U.S. Constitution and assert my privileges not to be a witness against myself.

Mr. KENNEDY. Will you tell us, then, if that is not correct, where the \$10,000 in \$50 bills came from?

Mr. BRENNAN. I respectfully decline at this time to answer under the fifth amendment to the U.S. Constitution and assert my privileges not to be a witness against myself.

Mr. KENNEDY. That is all for now.

The CHAIRMAN. All right. Thank you.

Call the next one.

Mr. ALLDER. May we be excused?

Mr. KENNEDY. No, I would like to have you stay, please.

Mr. Hoffa.

TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL,
EDWARD BENNETT WILLIAMS—Resumed

Mr. KENNEDY. Mr. Hoffa, could you tell us what the source of the \$10,000 is?

Mr. HOFFA. You just ask Brennan.

Mr. KENNEDY. Will you give us any information?

Mr. HOFFA. No. Get it from Brennan. I don't have it.

Mr. KENNEDY. You don't have any idea where the \$10,000 came from?

Mr. HOFFA. Brennan did not discuss the matter with me.

Mr. KENNEDY. I will say the same thing to you that I said to him. Isn't it correct that a good deal of this money comes from the representatives of employers, that this is cash that is kept by Mr. Owen Bert Brennan that you expend as the moment is appropriate and that in fact, this is not gambling money at all but that this is money that comes from employers, is payoffs to you and Mr. Brennan?

Mr. HOFFA. I will tell you that that is a lie, and I will tell you you have no right making a statement without proof, and I will further tell you that you are putting it in the transcript to get a headline, and it is a disgrace to the U.S. Senate to make the statement.

Mr. KENNEDY. You tell me where the money came from, Mr. Hoffa.

Mr. HOFFA. I don't know where it came from.

The CHAIRMAN. Just one moment. The Chair will not permit that statement to be made here unchallenged. Here are circumstances about money being spent for your benefit.

Mr. HOFFA. It was not my benefit.

The CHAIRMAN. Well, it has been to your benefit. You have been claiming it is money received from gambling receipts, playing the horseraces. The man who is your close associate in the union, who occupies a high position with you and who is handling these funds, takes the fifth amendment on the same question. There is no reason why you should not be asked it.

Now, you certainly can deny it. It is your privilege. You may be denying it truthfully. But this rash statement you just made will not be accepted by this committee without a statement to the effect that the question is quite proper and it will be asked. The record will retain the statement and the answer in it.

Mr. HOFFA. I have answered the question, sir.

The CHAIRMAN. The record is made and the record will stay just that way.

Mr. HOFFA. Fine. My answer remains.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Chairman, I would like to call Mr. Spindel to see if he will tell us what the source of this money is.

The CHAIRMAN. Come around, Mr. Spindel.

You will be sworn. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. SPINDEL. I do.

TESTIMONY OF BERNARD B. SPINDEL

The CHAIRMAN. Be seated. State your name, your place of residence, and your business or occupation.

Mr. SPINDEL. My name is Bernard B. Spindel. I reside in Fernando Juan, P.R.

Mr. KENNEDY. What is your business or occupation?

Mr. SPINDEL. Electronic technician.

The CHAIRMAN. Do you waive counsel, Mr. Spindel?

Mr. SPINDEL. Yes, I do.

Mr. KENNEDY. Mr. Spindel, you have known Mr. Hoffa since 1953, is that correct?

Mr. SPINDEL. I respectfully decline to answer and assert my privilege under the fifth amendment not to be a witness against myself.

Mr. KENNEDY. Mr. Spindel, there was some work you did for Mr. Hoffa in Detroit in 1953, after which you were indicted with Mr. Hoffa and, I believe, Mr. Benjamin, in connection with some wiretapping; but you were ultimately acquitted.

During that period of time you expended some money for legal bills. Could you tell us where that money came from, what the source of the money was?

Mr. SPINDEL. I respectfully decline to answer as previously stated.

Mr. KENNEDY. Mr. Chairman, Mr. Spindel has had long interviews prior to the time of his appearance here before the committee, both with members of the staff and with myself, in connection with the source of this money.

The CHAIRMAN. Put the staff member on the stand and let us ask him what this witness told him in his presence and see if he denies it.

Mr. KENNEDY. Could I ask Mr. Hoffa a question?

The CHAIRMAN. All right.

TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL,
EDWARD BENNETT WILLIAMS—Resumed

Mr. KENNEDY. Mr. Hoffa, was there a fund that was raised during this period of time, from any source?

Mr. HOFFA. I so stated the last time I was here that there was a fund.

Mr. KENNEDY. Who was in charge of that fund?

Mr. HOFFA. Walter Schuler, it is my understanding.

Mr. KENNEDY. Walter Schuler?

Mr. HOFFA. That is my understanding; yes, sir.

Mr. KENNEDY. Where did the money come from?

Mr. HOFFA. I think you will have to get that information from Schuler.

Mr. KENNEDY. Mr. Chairman, could we call Mr. Schuler around?

The CHAIRMAN. All right. Come around, Mr. Schuler.

Let us be sworn, Mr. Schuler.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. SCHULER. I do, sir.

**TESTIMONY OF WALTER SCHULER, ACCOMPANIED BY COUNSEL,
H. CLIFFORD ALLDER**

The CHAIRMAN. Be seated. State your name, your place of residence and your business or occupation, please, sir.

Mr. SCHULER. My name is Walter Schuler; I reside at 4370 Charing Way, Bloomfield Hills, Mich.

The CHAIRMAN. Do you by chance have a business or occupation?

Mr. SCHULER. Business agent for Teamsters Local 337.

The CHAIRMAN. Thank you very much. You have counsel.

Let the record show that Mr. Alder appears as counsel.

Proceed.

Mr. KENNEDY. Mr. Schuler, Mr. Hoffa spoke about the fact that there was a defense fund, or there was a fund, a sum of money, that was raised in Detroit during this period of time, and that you would be the one that could furnish the details.

Would you tell us about that, please?

Mr. SCHULER. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. KENNEDY. Mr. Chairman, this is, of course, once again the pattern. Mr. Hoffa obviously wants the committee to have the information. Could I suggest that Mr. Schuler, rather than testifying, tell Mr. Hoffa what the answer is, how much money was collected, and then Mr. Hoffa can tell us?

Mr. Hoffa, of course, has all of those individuals around him take the fifth amendment so that nobody will be able to testify regarding his activities.

The CHAIRMAN. Won't you, Mr. Schuler, just come clean and tell us? Just for the sake of the flag, the country that gives you your protection of freedom?

Mr. SCHULER. I respectfully decline to answer because I honestly believe the answer might tend to incriminate me.

The CHAIRMAN. Will you whisper to Mr. Hoffa over there and tell him? Will you do that, so that he might give us the information of what you say?

Mr. SCHULER. I respectfully decline to answer because I honestly believe the answer might tend to incriminate me.

Mr. KENNEDY. Could we ask Mr. Hoffa to come forward and ask him if he won't ask Mr. Schuler the source?

**TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL
EDWARD BENNETT WILLIAMS—Resumed**

The CHAIRMAN. Mr. Hoffa, will you help us clear it up? You don't want to help us?

Mr. HOFFA. I do not want to infringe upon a man's right to exercise a constitutional privilege.

The CHAIRMAN. All right. Thank you very much.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Hoffa, can I ask you this: Is there anybody else who would have any information in connection with this fund?

Mr. HOFFA. To the best of my recollection, this is the man—to the best of my information, this is the man that should be able to answer.

Mr. KENNEDY. Is there anybody else?

Mr. HOFFA. I can't think of anybody.

Mr. KENNEDY. You don't know anybody else but Mr. Schuler?

Mr. HOFFA. I can't think of anybody.

Mr. KENNEDY. And you won't get the information from Mr. Schuler?

Mr. HOFFA. Well, you get it.

The CHAIRMAN. All right. Have you any more questions of this witness over here?

Mr. KENNEDY. Mr. Bellino, Mr. Chairman.

TESTIMONY OF CARMINE S. BELLINO—Resumed

The CHAIRMAN. Mr. Bellino, have you had conversations with the witness, Mr. Spindel, with reference to the source of the \$10,000 that has been testified to here was passed in envelopes in \$50 bills?

Mr. KENNEDY. And Mr. Kelly, also.

Mr. BELLINO. We have had conversations with Mr. Spindel relative to moneys paid to him or on his behalf. I don't know that he was able to tell us the source.

Mr. KENNEDY. On the \$10,000, all he confirmed, Mr. Chairman, was the \$10,000 came from Mr. Brennan in the bathroom at the Detroit Teamster headquarters.

The CHAIRMAN. Be sworn, Mr. Kelly.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KELLY. I do.

TESTIMONY OF JAMES P. KELLY

The CHAIRMAN. What is your name?

Mr. KENNEDY. I don't think Mr. Kelly will testify.

Mr. KELLY. For the record, my name is James P. Kelly. I am a staff investigator.

The CHAIRMAN. Proceed with Mr. Bellino.

Mr. KENNEDY. Mr. Bellino, how much money in cash did Mr. Spindel indicate to us that he had received during the period of the trial?

The CHAIRMAN. What trial are we talking about?

Mr. KENNEDY. The wiretap trial.

Mr. BELLINO. During the period 19—there were two trials, one in 1957 and one in 1958. There was a total which was paid to him in cash of \$19,950.

The CHAIRMAN. That is according to his statements to you?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Giving you the times and places where he got the money and the amounts?

Mr. BELLINO. The approximate times and the amounts; yes, sir.

The CHAIRMAN. You made those notations from his statements to you?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Is that the total amount of money? Was there other money expended on his behalf?

Mr. BELLINO. There was a total amount of \$34,150 expended on his behalf.

The CHAIRMAN. Is that including the \$19,000?

Mr. BELLINO. In addition to the \$19,950, there was a total of \$14,200 paid to attorneys who represented him.

The CHAIRMAN. Let me get it. Is it \$19,000 and \$34,000 or is it \$19,000 included in the \$34,000?

Mr. BELLINO. The \$19,000 is included in the \$34,150.

(At this point Senator Goldwater withdrew from the hearing room.)

The CHAIRMAN. Mr. Spindel, if there is any statement made here that is inaccurate, that is not true, by this witness, I want to give you the opportunity to deny it, refute it, or explain it.

Proceed.

Mr. KENNEDY. Around May of 1957 he received some \$6,000 in cash, is that correct?

Mr. BELLINO. That is correct.

Mr. KENNEDY. We are not able at this time to determine definitely what the source of that money was. He got that through a third party; is that correct?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Which he felt was indirectly from the Teamsters but he was unable to tell; is that correct?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Then on September 6, 1957, he received \$5,000 from George Fitzgerald?

Mr. BELLINO. That is correct.

Mr. KENNEDY. That is at the Travelers Motel?

Mr. BELLINO. That was given to him after there was a meeting held between Mr. Hoffa, Mr. Fitzgerald, Mr. Spindel, and two others at the Travelers Motel at LaGuardia Airport, a total of \$5,000 in currency.

The CHAIRMAN. About what date was that?

Mr. BELLINO. September 6, 1957.

The CHAIRMAN. This Mr. Spindel told you that?

Mr. BELLINO. That is correct. We have the evidence of the stay of Mr. Hoffa, and Mr. Fitzgerald, at this motel.

Mr. KENNEDY. After he gave us that information, we checked the motel and we found that in fact Mr. Hoffa and Mr. Fitzgerald were at that motel that afternoon?

Mr. BELLINO. That is correct.

The CHAIRMAN. Were they registered there?

Mr. BELLINO. They used the room for a few hours, waiting for another plane.

Senator CURTIS. Mr. Chairman—

The CHAIRMAN. Senator Curtis?

Senator CURTIS. Mr. Bellino, how many times did you interview Mr. Spindel?

Mr. BELLINO. I interviewed Mr. Spindel, I believe, on three occasions, over a period of 2 days.

Senator CURTIS. And where did these interviews take place?

Mr. BELLINO. One in Washington, one in New York, and one in his home in Patterson, N.Y., I believe.

Senator CURTIS. The latter two occurred the same day?

Mr. BELLINO. Yes, sir.

Senator CURTIS. About when was this?

Mr. BELLINO. I believe it was in November or December, the first one, and the second one some time probably in February or March. I don't recall the exact date.

Senator CURTIS. Was anybody else present for this interview?

Mr. BELLINO. Yes, sir.

Senator CURTIS. Who else?

Mr. BELLINO. Mr. Kennedy, Mr. Kelly, and Mr. Kenneth O'Donnell at the first interview. The second one was Mr. Kelly and Mr. Kennedy.

Senator CURTIS. You are referring to the staff?

Mr. BELLINO. Yes, sir.

Senator CURTIS. He was informed that you were investigators for this committee?

Mr. BELLINO. Yes, sir.

Senator CURTIS. And that you wanted him for the purpose of this investigation?

Mr. BELLINO. Yes, sir.

Senator CURTIS. In his testimony in reference to this sum that was handed to him at the Travelers Motel, what was that—\$6,000?

Mr. BELLINO. \$5,000.

Senator CURTIS. Did he tell you who handed him that money?

Mr. BELLINO. Yes, sir.

Senator CURTIS. Mr. Fitzgerald?

Mr. BELLINO. Yes, sir.

Senator CURTIS. Did he tell you who was present at the time of the actual transfer of the funds?

Mr. BELLINO. Yes, sir.

Senator CURTIS. What did he tell you?

Mr. BELLINO. Mr. Hoffa and Mr. Fitzgerald, both.

Senator CURTIS. Both were present when the money was handed to him?

Mr. BELLINO. Yes, sir.

Senator CURTIS. That is all.

Mr. KENNEDY. He stated then that he received expenses from Mr. Hoffa of approximately \$500 a week during the period November-December 1957, totaling about \$1,500 in cash?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Then he said that he received just before Christmas of 1957 another \$1,000?

Mr. BELLINO. Around \$500 to \$1,000.

The CHAIRMAN. Did he receive that from Mr. Hoffa?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. The question was did he receive it from Mr. Hoffa.

Mr. BELLINO. Yes, sir.

The CHAIRMAN. That was his statement to you?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. Where did he say the last \$1,000 came from?

Mr. BELLINO. That came from Mr.—Mr. Hoffa called Allen Dorfman aside, and they went off into the corridor, in to the stairway.

Mr. KENNEDY. In the courthouse?

Mr. BELLINO. In the courthouse, the Federal Building. Allen Dorfman took out some envelopes that he had in his pocket, and he said, "Do you want them all?" to Hoffa, and Hoffa said, "I just want one." He gave him one and he turned it over and gave it to Mr. Spindel.

Senator CURTIS. Who handed it to Spindel?

Mr. BELLINO. Hoffa. Hoffa got it from Allen Dorfman. The previous day he told us he noticed Paul Dorfman handing an envelope with some money in it to Mr. Hoffa.

Mr. KENNEDY. In January 1958, he received \$300 from Benjamin Dranow?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Then on March 6, 1958, he received another \$300 amount from Benjamin Dranow through Svirsky; is that correct?

Mr. BELLINO. Yes. He received that one distinctly because there happened to be a truck robbery of some sort on March 6, and he recalled that, and we were able to find that there was a check cashed, from the Svirsky records the same day, in the amount of \$300.

Mr. KENNEDY. He received another \$300 on March 20, from Benjamin Dranow; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Then on April 11 or April 14, 1958, he received \$450 from Abe Gordon?

Mr. BELLINO. That is correct.

Mr. KENNEDY. That is the same Abe Gordon, Mr. Chairman, we had before this committee.

The CHAIRMAN. This witness told you; did he?

Mr. BELLINO. Yes, sir; he told us.

The CHAIRMAN. In the presence of those you named?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Then \$200 after that from Benjamin Dranow in mid-August 1958?

Mr. BELLINO. That is correct.

Mr. KENNEDY. And then \$900 that he said he received in a money order from George Fitzgerald?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Did we check to find out if a money order had been in fact sent by George Fitzgerald?

Mr. BELLINO. I don't think we were able to find George Fitzgerald, but there was one we don't have on this list, \$50 he received from Joe Konowe, of the Teamsters, and that was after a telephone conversation he had had with Mr. Hoffa. He received this money order from Joe Konowe.

Mr. KENNEDY. We weren't able to check—we were never able to prove the \$900 from George Fitzgerald?

Mr. BELLINO. No; except George Fitzgerald admitted that. He told us that under oath.

Mr. KENNEDY. That he had given him the \$900?

Mr. BELLINO. Yes.

Mr. KENNEDY. And in August 1958, \$1,000 from Mr. Hoffa; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Then in addition to that the \$2,500 that Bert Brennan gave to Sol Gelb to give to his attorney, \$2,500 in cash, plus \$10,000; is that right?

Mr. BELLINO. Yes; to Levine.

Mr. KENNEDY. Then there was another lawyer, Arnold Fassler—

Mr. BELLINO. Who received \$1,700 from Mr. Spindel.

Mr. KENNEDY. That made a total of how much altogether?

Mr. BELLINO. Altogether \$34,200, with the \$50 more of Joe Konowe.

Mr. KENNEDY. Did Mr. Spindel declare any of this money?

Mr. BELLINO. I understand he didn't file any return.

Mr. KENNEDY. That, Mr. Chairman, is trying to help in finding where this money came from. Of course, it is unsatisfactory, because it would be far better to have the witness testify firsthand, or it would be far better to have Mr. Schuler, or Mr. Brennan, or any of these other Teamsters officials come in and give us the information.

But Mr. Hoffa has arranged that they will not, so that is the best we can do on it.

The CHAIRMAN. You have heard these statements. Is there anything inaccurate in the testimony by Mr. Bellino? Mr. Spindel?

TESTIMONY OF BERNARD B. SPINDEL—Resumed

Mr. SPINDEL. There are many inaccuracies, but at this time I choose not to make any statement and assert my rights under the fifth amendment. I would like to make, if the chairman is really interested in finding out the facts, I would like to make a statement pertaining to the chief counsel of this committee.

The CHAIRMAN. Wait just a moment.

Mr. SPINDEL. This pertains—

The CHAIRMAN. Are you willing to testify?

Mr. SPINDEL. I am testifying on that particular matter.

The CHAIRMAN. I didn't ask you about that. You are not going to volunteer to testify here unless you are going to testify to the things we ask you about.

Mr. SPINDEL. If you are interested—

The CHAIRMAN. If you want to answer what we are asking about, then I will permit you to testify.

Mr. SPINDEL. As I understand from my counsel—

The CHAIRMAN. Wait a minute. Are you willing to answer the questions we ask you pertaining to these matters?

Mr. SPINDEL. To one particular matter I am willing to testify.

The CHAIRMAN. Are you willing to testify to this statement of amounts here that the witness says you told him you received?

Mr. SPINDEL. On that at this time I choose to take the fifth amendment.

The CHAIRMAN. That is what you were called here for, sir. If you are going to take the fifth amendment—any statement you want to make criticizing the people on this committee—

Mr. SPINDEL. I am not criticizing it. If you are interested in facts, these facts are what the committee ought to have.

The CHAIRMAN. You will have to make them somewhere else.

Mr. SPINDEL. I certainly will.

Mr. KENNEDY. I have had some conversation with Mr. Spindel. Mr. Spindel wanted material that we had obtained from him kept confidential. I had some conversation with him along those lines. After he had given me the information, he wanted to have my agreement that it would be kept confidential. At that time, of course, I wanted him to testify. He made a statement to me at that time that it would be possible, that he would consider testifying if it would be possible for me to make arrangements to have him set up in business in Puerto Rico.

Mr. SPINDEL. That is an absolute lie and he knows that.

Mr. KENNEDY. It would not have to be handled directly, Mr. Chairman. It could be handled indirectly.

The CHAIRMAN. Let us not go into this now. If we are going to do that, this witness will have a right to make a statement.

Mr. SPINDEL. I think I should have a right to make a statement.

The CHAIRMAN. The Chair will hold, unless you testify on the things we inquire about, that you can't make any statement.

Mr. SPINDEL. I think a very serious statement was made which was inaccurate, and I have a right to state the facts.

The CHAIRMAN. You can state that that statement is not accurate.

Mr. SPINDEL. If you want the facts pertaining to the subject—

The CHAIRMAN. I want the facts about the questions we have asked you here about this information. When you give that, then I am ready to hear you on something else. But I am not going to hear you on something else when you will not answer with respect to these matters that we are vitally interested in.

Is that clear?

Mr. SPINDEL. Mr. Chairman, as I understand it, if I answer one question, under the law I am required to answer all pertaining to it.

The CHAIRMAN. That may be true, because we want the whole truth. We would not want part of it.

Mr. SPINDEL. I would not give part of the truth but I am sure this committee wants facts. If it wants facts, I should not be blocked from stating facts which are very vital to the very nature and heart of this investigation.

The CHAIRMAN. Are you ready to testify with respect to these amounts which according to the testimony here, that you have told the staff?

Mr. SPINDEL. I have asserted my rights under the fifth amendment which are my privilege, but there are further facts which are very pertinent, and I believe this committee should listen to it, and I should have the right to state it.

The CHAIRMAN. You do not have the right to state anything until you comply with the request of the committee and give the information that the committee wants first; when you do that, when you are ready to come in here and answer questions regarding the subject matter about which you have been interrogated and about which the committee was vitally interested and for which they subpoenaed you here, when you are ready to do that.

Mr. SPINDEL. May I ask the chairman that we adjourn until tomorrow so that I may consult with my counsel?

The CHAIRMAN. You may have tomorrow to consult with your counsel.

TESTIMONY OF CARMINE S. BELLINO—Resumed

Senator CURTIS. Mr. Bellino, this \$34,000 that you refer to, did that come from the fund raised by Mr. Schuler?

Mr. BELLINO. That is what we are trying to find out, Senator.

Senator CURTIS. Do you know where it did come from?

Mr. BELLINO. It came from Mr. Brennan or Mr. Hoffa, Mr. Allen Dorfman, or Mr. Benjamin Dranow.

Senator CURTIS. Do you know what the original source was?

Mr. BELLINO. That is the original source. Of course we know some of that came from Allen Dorfman and Ben Dranow, according to his testimony.

Senator CURTIS. Now, have you been able to trace, or do you know they were handing over money that was their money, or do you have knowledge as to where they obtained it or collected it?

Mr. BELLINO. No, sir; we have been trying to talk to these Teamsters who are supposed to have knowledge, but they won't talk, or they will come up and take the fifth.

Senator CURTIS. I understand that.

Mr. BELLINO. We don't know, Senator.

Senator CURTIS. Do you have any independent information that would show who provided it, who were the real donors of \$34,000 to which you referred?

Mr. BELLINO. We have it in small amounts, \$900 from Fitzgerald, \$50 from Konowe, \$300 from Benjamin Dranow, some money from Allen Dorfman. The balance we don't know.

Senator CURTIS. How much money from Allen Dorfman?

Mr. BELLINO. Around \$2,000, I think it was \$1,000.

Senator CURTIS. You have been able to trace that to his fund?

Mr. BELLINO. That was his testimony. It was handed to Hoffa and Hoffa in turn handed it to him.

Senator CURTIS. Mr. Spindel?

Mr. BELLINO. Yes, sir. I might say this, Senator: We do have Allen Dorfman going to a safe deposit box from time to time around this period. We find Robert Holmes going to a safe deposit box. We find Josephine Hoffa going to her safe deposit box. We find Frank Collins going to a safe deposit box around this period of time.

Senator CURTIS. That is all.

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. Was this testimony taken under oath?

Mr. BELLINO. When he talked to us?

Senator GOLDWATER. Yes.

Mr. BELLINO. No, sir.

Senator GOLDWATER. Was this taken in Washington or out in the field?

Mr. BELLINO. Some of it here in Washington and some of it in the field.

Senator GOLDWATER. This is not testimony that has previously been given in an open hearing?

Mr. BELLINO. No, sir.

The CHAIRMAN. Any further questions?

You may be excused.

Do you want to consult with your attorney?

Mr. SPINDEL. Yes; I will return tomorrow morning.

The CHAIRMAN. All right.

Any further questions of Mr. Hoffa?

Mr. Hoffa, you have heard this testimony, do you want to make any statement about it?

**TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL,
EDWARD BENNETT WILLIAMS—Resumed**

Mr. HOFFA. I have no comment, sir. I have to say that I have another flight at 6:25, if it is possible to make that.

The CHAIRMAN. I will do my best.

Mr. KENNEDY. What has happened to Paul "The Waiter" Ricca's home? Is it being used yet?

Mr. HOFFA. Mr. Chairman, the home is where it was when we purchased it. When this committee is over and we have sufficient time to be able to sit down and map out a policy of being able to use that home, what it was originally purchased for, we will invite you down to an educational forum on health and welfare, pension and grievance settlement.

The CHAIRMAN. Would you care not to take the fifth amendment when you undertake to instruct us?

Mr. HOFFA. I will do my best, sir.

Before you adjourn, there are two things that I would like to place in the record to answer charges against me that have been published nationwide.

The CHAIRMAN. What is the matter?

Mr. HOFFA. There are two issues. One, the question of Negroes. A Negro appeared here recently, made certain statements concerning local union 299. While not mentioning my name as such another individual named, Maxwell did mention my name. In his testimony it was alleged that there were only five colored people in local 299. I have here for the record, and I will leave it with the committee, if you please, a list of the companies in 299 that employ Negroes, totaling 645 employees; and I may say, also, that local 299 has no way of being able to be the determining factor as to when or where colored employees shall be hired.

However, I respectfully would like to suggest that at a forthcoming labor bill that you accept the American civil liberties amendment that they ask you to place in the labor law providing equal protection for the colored in regard to job availability. This we will endorse wholeheartedly. This organization has no discriminatory policy against Negroes and our record speaks for itself.

Mr. KENNEDY. Did you have the conversation with Mr. Maxwell, Mr. Hoffa?

Mr. HOFFA. When?

Mr. KENNEDY. The conversation that he testified to that you made a statement to him on the telephone to keep those two Negro drivers out of the city or they would get into difficulty?

Mr. HOFFA. I have not been able to find George since he made the statement. I have been trying to find him. I want George to verify the fact, and I would like to get the day and the date that I talked to George. I never remember talking to him concerning this problem

and I am trying to investigate it and I want from Mr. Maxwell either a retraction or he will have a lawsuit because I don't recall it and I don't think he has any proof.

Mr. KENNEDY. Mr. Hoffa, do you deny you made the statement?

Mr. HOFFA. I have never made a statement concerning the fact that this Hill, so far as I know, ever talked to me or that I told him he could not join 299.

Mr. KENNEDY. That is not what he testified to.

Mr. HOFFA. Testified that Dave Johnson, whom he discussed it with, in 299, the question of his membership, made some remarks, Maxwell said he received a phone call and he said it was for me, concerning the fact that a truck line, Jacob Protetch truck line, was involved with a Negro driver. I do not recall any such conversation. I do not recall discussing the problem with Maxwell but since I am on the road, and subject to perjury, I will not try to recollect from memory that I never did have a discuss on with Maxwell. I may have well have. I do not recall presently in my own mind that I did not talk to him concerning Hill. That is the only question in dispute, is Hill.

Mr. KENNEDY. Will you deny you made the statement to Mr. Maxwell on the telephone, telling him that he had better tell the employer to keep those Negro drivers out of the city or they would get into difficulty?

Mr. HOFFA. I do not recall any specific conversation concerning what Maxwell said. There was some problem concerning Negro drivers on the highway. I may have discussed that problem with him. I will not recall from memory the exact quotation that he made until I have talked to Maxwell.

(Members of the select committee present at this point in the proceedings: Senators McClellan, Mundt, Kennedy, Goldwater, and Curtis.)

Mr. KENNEDY. Well, you wouldn't deny it, then, his testimony here before the committee?

Mr. HOFFA. I have made my statement for the record.

Mr. KENNEDY. So I understand it, I assume that to mean or gather that to mean that you do not deny it.

Mr. HOFFA. I have made the statement for the record.

Mr. KENNEDY. Are any of these drivers that you have here over-the-road drivers?

Mr. HOFFA. Middle Atlantic Transportation, Interstate Motor Freight, Emery Transportation—these are highway companies, so I am assuming these are highway drivers. Glenn Cartage is a highway company.

Mr. KENNEDY. They are all city drivers, Mr. Hoffa.

Mr. HOFFA. I don't know if they are or not. I have a list.

Mr. KENNEDY. We checked it.

Mr. HOFFA. I don't think you know it either, because we couldn't tell from our records whether they were city or road on this quick of a check.

Mr. KENNEDY. Mr. Hoffa, have you taken any action against Dave Frechette, down in Miami, Fla., after he wrote the letter suggesting the exploitation of the Negroes down there?

Mr. HOFFA. I read the letter. You read my answer. And I say to you I did not take any action against Dave and I say it wouldn't happen again. Dave made a mistake, and it is cleared up.

Mr. KENNEDY. You haven't taken any action?

Mr. HOFFA. No. He was trying to expedite, unfortunately, a method of organizing which in my opinion was wrong.

The CHAIRMAN. Do you want that list made an exhibit?

Mr. HOFFA. I would like to, sir.

The CHAIRMAN. It will be made exhibit 96.

(List referred to was marked "Exhibit No. 96" for reference and may be found in the files of the select committee.)

Mr. HOFFA. There is one other statement.

There was a statement placed in the record by Tom Fagan of Pittsburgh local 249. Fagan came in here and made a statement, and there was great to-do about it, that his wage scale superseded wage scales of what I have been able to gain in the Central Conference. I say to you, sir, that this book, and the book here, which are matters I would like to leave with the committee to study, is for the first time in the history of any area uniformity of wages, whether it be Texas, Arkansas, Michigan, or any of the Middle Western States or Minneapolis or Dakotas.

I say also that there are specific exceptions, recognizing the fact that certain localities have been organized for a longer period of time than other areas, such as Pittsburgh, mainly the city of Detroit, and I am president of that local union.

I would like to say to you, sir, that local 299's rate is \$2.79 per hour as against \$2.57 or \$2.52, or 27 cents per hour higher than Pittsburgh.

I would like also to say that the checker and tow motor operator is 16½ cents higher per hour in Detroit than Pittsburgh. I would like to say the dockman's scale is 25 cents higher than Pittsburgh.

I would like to furthermore say that we receive in 299 time-and-a-half after rate, time-and-a-half over 40, with all hours over 9 that are not guaranteed, and furthermore, when the employees punch in Monday morning, 90 percent of the employees are guaranteed a week's work of 40 hours, 4 weeks' vacation with pay, pensions at \$160 a month, after 20 years of service, age 60, as compared to \$100 a month, 30 years service, 65 years of age, in Pittsburgh.

I might say also we have had our health and pension plan longer than Pittsburgh. I am well aware of the next question of Mr. Kennedy, that they are now talking about road operations.

I say on road operations as Carney Matheson said. You cannot speak in generalities of a road operation. You must take specific runs. If you want to talk about the question of turn-around runs, multiple runs, combination runs, leg runs, double bottom operations, I will take specific runs, run-by-run, and take our Detroit rate for this contract, and we will compare not the minimum in this contract, but the guaranteed runs of local union 299 in metropolitan area, comparing those to Pittsburgh, they are superior, because under our contract guarantees are for miles driven only plus extra hours of pay compensated by an hourly rate.

Under the Pittsburgh rate they have a flat rate all inclusive for all time spent.

Mr. KENNEDY. Mr. Hoffa, are you going to take any action against Mr. John O'Rourke in connection with the testimony we had that he had fostered a dual unionism or second union?

Mr. HOFFA. I read the testimony of Daley. The testimony will be in due time analyzed, discussed with our executive board, and if any proof is forthcoming, other than Topazio, we will take the matter up.

Mr. KENNEDY. We have had some of these people, for instance, Herman Hendricks, arrested 100 times, convicted of possession of marihuana cigarettes, Harry Gross, convicted of extortion; Joseph DeGrandis, convicted on 2 or 3 occasions; John Filipoff, who had shown that he had a conflict of interest; Dave Frechette, the exploitation of Negroes; Mike Singer, who took his girl friend on union funds to Hawaii; Jack Thompson, convicted some 4 times and arrested 14 times; Sandy O'Brien, receiving \$14,000 in commissions; William Presser, regarding his activities; Branch Wainwright, convicted 3 times; Floyd Webb; John McNamara's activities; Al Reger, convicted of extortion, still holding his union position; Ted Cozza; Bernie Adelstein; W. A. Smith, arrested 18 times, convicted 14 times; Perry Canaday; Rolland McMaster; Cecil Watts—have you taken any action to get rid of any of those people, Mr. Hoffa?

Mr. HOFFA. As I stated the last time I was here, when this committee is through, and the record is built, we will take case by case each case and determine the proper action.

Mr. KENNEDY. Have you taken any action against any of those people, Mr. Hoffa?

Mr. HOFFA. No, because the committee isn't over.

The CHAIRMAN. Suppose the Congress makes this a permanent committee?

Mr. HOFFA. Then we will have to reevaluate our situation.

Senator KENNEDY. Mr. Hoffa, why is it you are not willing to take any action now? For example, what about Mr. Cohen now in Philadelphia?

Mr. HOFFA. We are enjoined by an injunction, sir; injunctive proceedings at this time.

Senator KENNEDY. What do you mean, you are enjoined from taking any action?

Mr. HOFFA. The local court has issued an injunction against the international union from interfering in the affairs of local 107. This is a matter that we expect to come up in the fall session.

Senator KENNEDY. You are prohibited from taking any disciplinary action against Mr. Cohen?

Mr. HOFFA. From the local union.

Senator KENNEDY. Did you go there to find out what he had really done with that union money that he took the fifth amendment on?

Mr. HOFFA. No, sir; I did not. I went there to tell the membership of that local union that was assembled of the job that Cohen had done in their behalf as rank and file members.

I also promised them at that particular meeting the full support financially and otherwise of the international union in their forthcoming negotiations, to where we expect to raise the Pittsburgh drivers, dockworkers, and city cartage men, up to the prevailing scale of New York, New Jersey, et cetera.

Senator KENNEDY. That was what you went for?

Mr. HOFFA. One of the reasons.

The other reason was the fact that I was invited there as a guest speaker.

Senator KENNEDY. That was a dinner in honor of Mr. Cohen?

Mr. HOFFA. Right.

Senator KENNEDY. What action are you planning to take on Mr. Presser, who I believe took the fifth amendment a number of times before this committee, and who we had a good deal of testimony with regard to by Mr. Luken? Are you satisfied with Mr. Presser?

Let me put it that way.

Mr. HOFFA. I think Presser is doing an excellent job for his organization, both as council president, as head of his local union, and head of the Ohio Conference of Teamsters, and in due course of time we will take the testimony, sift out the factual information, and at that time determine what to do about Presser.

Senator KENNEDY. I don't have any confidence, Mr. Hoffa, you will ever do anything about Mr. Presser. You have indicated quite clearly your favorable opinion of him. You have had a good deal of time. The first time he took the fifth amendment was many months ago. There is no indication that you disapprove of him or that you are willing to take any affirmative action with regard to him.

What about Mr. Brennan, who took the fifth amendment, who made the winnings for you at the track? Have you taken any action against him?

Mr. HOFFA. In due time when the record is completed, and we have had an opportunity to analyze it, each and every person you mentioned will receive the same treatment.

Senator KENNEDY. Why is it you haven't been willing to take that action against Mr. Brennan, for example, Mr. McNamara, and others up to now?

Mr. HOFFA. I told you why.

Senator KENNEDY. Well, it isn't true.

Mr. HOFFA. They have taken the fifth amendment, Senator, and I will not, as an American citizen, deprive them of their right of taking the fifth amendment and call them before our committee and have them testify to answers and have you subpoena the answers and have them lose their fifth amendment.

Senator KENNEDY. I wouldn't think they would be embarrassed about their answers, would they?

Mr. HOFFA. It isn't a question of being embarrassed. It is a question of taking the fifth amendment here and then going there and answering questions, some of which would pertain to union and some would pertain to their own business.

Senator KENNEDY. Well, they would not take the fifth amendment before us if they didn't want to.

Mr. HOFFA. That is a debatable issue.

I would like to say that I just have time to catch my plane.

The CHAIRMAN. Can we conclude now and let him make his plane?

Senator KENNEDY. You and I exchanged some correspondence last week about the provisions in the labor bill.

Mr. HOFFA. That is right.

Senator KENNEDY. Do you want to miss the plane and discuss it, or what?

Mr. HOFFA. I am here all night for that question, if that is what you want.

Senator KENNEDY. I am asking you if you have any statement. I gave you my views on the inaccuracies contained in your release. If you have found any inaccuracies in that statement that you wish to make, I will be glad to hear it.

Mr. HOFFA. Yes, sir; I do have. I have here a document that I would like to file with this committee, not the original 18-point analysis that Mr. Kennedy challenged when he was here, but rather the fact that Mr. Kennedy refused to debate this issue with the American people, and thereby sending his staff in to discuss what our staff has on the question of our analysis and his analysis.

After receiving from his office an analysis of our analysis, and hoping he could misconstrue it, we then took pains taking care to re-analyze both his answer and our answer, and it is contained here, which I will be very happy to give every Senator, and which, in my opinion, sir, clearly and distinctly points out that our original 18-point analysis was correct then and correct today, and that your staff, if they are available, with you, I am available, to debate this, rather than hold the whole committee up.

But now that the question is raised, Senator McClellan, I would like to have this in the record, sir, so that I will be able to answer the question asked me at the last hearing.

The CHAIRMAN. The document may be filed as exhibit 97 for reference only. It will not be printed in the record. It will be filed as an exhibit.

(Document referred to was marked "Exhibit No. 97" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Are there any further questions?

Senator KENNEDY. I just want to state, Mr. Chairman, that we gave Mr. Hoffa and the Teamsters Union adequate opportunity to testify before our committee this year, the Subcommittee on Labor, when this legislation was being heard.

It is not my intention nor the intention of the members of the subcommittee to debate with you, Mr. Hoffa, who has shown not only your complete disinterest in the subject of labor-management reform, but through your agents, your attorneys, Mr. Zagri and others, have been carrying on a most determined and persistent campaign of not only inaccuracies on the bill, but also pressure on Members of Congress from all parts of the country in your efforts to defeat this legislation.

I don't see any common ground between you and me on this matter as well as on other matters.

Mr. HOFFA. I think the American people are entitled to have the Teamsters Union buy us the TV space for you and I to debate the question of immorality or the labor bill, so that the workers of America, 16 million organized families, will know if this law is passed as currently proposed as to who was responsible for it, and I am perfectly willing for our executive board to buy the time.

Senator KENNEDY. Mr. Hoffa, after again listening to you today, you do remain still the best argument for the passage of the bill.

I have no confidence that you are going to clean up the Teamsters; no confidence at all. I am completely convinced it is a matter of indifference to you that you have surrounded yourself with these people,

and I think therefore that you only want to attempt to defeat this legislation, the passage of this legislation.

Mr. HOFFA. I remain as a member of this union to talk to U.S. Congressmen and Representatives on behalf of their precincts and to bring individuals from their precincts to talk to the individuals.

Likewise, I reserve the right also when this bill is passed to advertise to every worker in America the individuals who voted to put the yoke around their necks and destroyed their union.

Senator KENNEDY. Let's make it clean. I am the original author, with Senator Ervin, of the bill. So there will be no mistake of it, I hope when it passes you will attempt to do that.

Mr. HOFFA. You bet your life I will advertise.

Senator KENNEDY. I can think of three important things in the bill.

First, the prohibition against the use of felons, which the Teamsters allow, the people you have surrounded yourself with; second, the secret election; and third, that there must be public disclosure of all union expenses, and that all expenses over \$10,000 must have a record, so we will know where you get your money.

Mr. HOFFA. There is no difference between you and our union on the question of accounting, except the method. We are perfectly willing to account.

So far as the question of class distinction, we are not willing to accept it. This is still America.

The CHAIRMAN. Is there anything further?

Mr. HOFFA. Don't forget hot cargo.

Senator KENNEDY. I am remembering hot cargo, Mr. Hoffa.

Mr. HOFFA. And which will ruin every union in the country.

Senator KENNEDY. You have distorted the record on that, too.

The CHAIRMAN. Just a moment.

I am sorry we had to keep you so long. I was hopeful we could get through by noon or 1 o'clock. But I don't feel that the Chair can take the blame and full responsibility for the protracted session. I have tried to expedite it under these difficult circumstances as best I could.

I regret, Mr. Hoffa, very much that you and those close to you that you keep in high position couldn't or wouldn't help us. I am regretful that you couldn't help us clear up some of these matters this afternoon, about finances, and the way they were handled.

I think that emphasizes the imposition that is being committed against the working people in the country and emphasizes the need for legislation to require the accounting that you say you support.

I think it is tragic that those who are so close to you won't demonstrate their good faith in professing to want accounting by your union when they come here and take the fifth amendment to hide and conceal what this committee has a right to know. I think it is a contradictory situation. You profess to want the truth known, and yet the facts as they are portrayed here and as demonstrated here and their taking the fifth amendment simply makes it irreconcilable.

Personally, you can say you want the facts known, but if you include these top men around you who are under your control and who take the fifth, then certainly the situation is completely contradictory. Your deeds do not match your words.

Mr. HOFFA. We have submitted, sir, 51 amendments to the bill as passed in the Senate, recognizing that many of the provisions that you expound and Senator Kennedy expounds—

The CHAIRMAN. You would have had more influence, in my opinion, in getting them considered favorably if you had had your people open up and tell what they know, what the Congress has a right to ask them. If they opened up, I think you would be more convincing about your good faith and sincerity.

Mr. HOFFA. It might take care of the future.

The CHAIRMAN. Is there anything further?

The Chair will make a brief statement. I had not time to prepare it, but I will make a brief closing statement and insert it into the record.

There are these two affidavits which I have which will be made exhibits 98-A and 98-B.

(Affidavits referred to were marked "Exhibits Nos. 98-A and 98-B" for reference and may be found in the files of the select committee.)

(The chairman's statement is as follows:)

We now conclude this series of hearings into the activities of the International Brotherhood of Teamsters, Chaffeurs, Warehousemen, and Helpers of America.

I shall make only a brief statement, for I believe the record is so complete that no extensive summation is called for on the part of the Chair.

These hearings have again pointed up the unwholesome conditions that prevail in the hierarchy of the International Teamsters Union—the largest and most powerful labor union in this country. They have also demonstrated conclusively and irrevocably that no reform, cleanup, or improvement of these conditions can be expected while the international union remains under the leadership and dominant influence of its present provisional president, Mr. James R. Hoffa.

Notwithstanding Mr. Hoffa's previous promises and assurances to the committee, he has failed and still refuses to remove and get rid of high officials in this international organization and in some of its subordinate units. These known criminals and disreputable characters have beyond any question of doubt in many instances betrayed the trust, and exploited the rank-and-file membership, of the organization whom it was their duty to protect and faithfully represent.

They have engaged in racketeering practices, have taken bribes, committed extortion, and otherwise been unfaithful to the trust reposed in them and that is associated with their offices. Mr. Hoffa's position as the fountainhead of this corruption has been repeatedly emphasized.

The testimony is crystal clear that in his unrelenting drive for power, Mr. Hoffa had repeatedly shunted aside the interest and welfare of rank-and-file union members while making deals with major employers in the trucking industry. His deals with these employers refute his claim to steadfastness and unwavering devotion to the best interest and welfare of the membership he serves.

He and his racketeer—and in some instances gangster—associates continue to do business at the same old stand, in the same arrogant and defiant way, despite the overwhelming demands of the citizens of this country for a cleanup and the elimination of corruption and disreputable practices in this, the Nation's most powerful union.

There can no longer be in the mind of any unbiased person even a last vestige of doubt that strong, remedial legislation is drastically needed in the field of labor-management relations. Such action on the part of Congress is urgent and imperative.

Inaction and failure on the part of the Congress to meet its responsibility and pass adequate laws to remove from labor-management relations the corruption, exploitation, and racketeering and other evils exposed by this committee will definitely serve and advance the interest of such elements, to the detriment of decent unionism, employers, the public, and the general welfare.

The country cannot look to highest official and authoritative sources within the Teamsters Union for the reforms that are positively necessary to restore honesty and decency and to protect the rights of the members in this union. Action must come from two sources—from the Congress, and from the courts.

The board of monitors of the Teamsters Union, appointed and serving under the decree of a Federal court, on the basis of this record, should—and I am sure they will—move and act promptly against Mr. Hoffa and his criminal associates within the scope of their authority and responsibility.

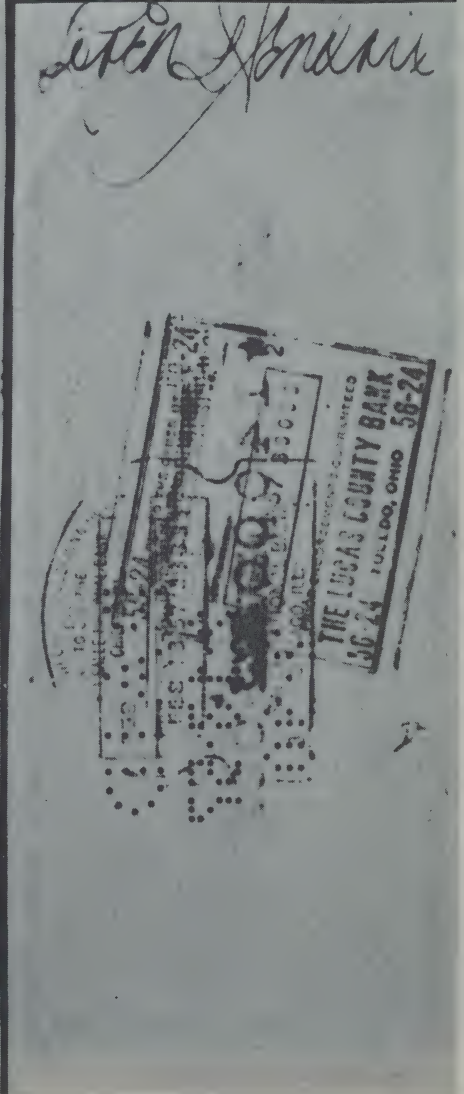
This situation presents an issue that challenges the integrity and the very supremacy of our Government. Will the Congress meet this challenge courageously and effectively? That question is being asked today by all decent, law-abiding American citizens everywhere.

What shall the answer be? I believe the Congress will meet the challenge. But, lest we forget, the eyes of the Nation are upon us.

The CHAIRMAN. The committee stands adjourned, subject to call. (Whereupon, at 5:45 p.m. the select committee adjourned, to reconvene at the call of the Chair.)

(Members of the select committee present at time of adjournment: Senators McClellan, Mundt, Kennedy, Goldwater, and Curtis.)

EXHIBIT No. 78A



CHI-EAST TRUCKING CO., INC.
4001 SOUTH WESTWORTH AVENUE
CHICAGO, ILLINOIS

No. 644 \$781

PAY TO THE ORDER OF *Loren Handlin* \$4000.00

INSURED ★★4000.00★

CHI-EAST TRUCKING CO., INC.

MADISON BANK AND TRUST COMPANY
CHICAGO, ILLINOIS

Jan 1 1957

Loren Handlin

2-28

JAN 1 5 1957

HARRIS TRUST AND SAVINGS BANK
AND THROUGH CHICAGO CLEARING NO.

HARRIS TRUST AND SAVINGS BANK
PAY TO THE ORDER OF HARRIS TRUST AND SAVINGS BANK
HARRIS TRUST AND SAVINGS BANK

EXHIBIT No. 78C

CHI-EAST TRUCKING CO., INC.
4211 SOUTH WESTWATER AVENUE
CHICAGO, ILLINOIS

NO. 675 707

1224426 108

PAY TO THE ORDER OF *Leon Hendrix* \$2402.17

INSURED **D 44240213566**

123582

CHI-EAST TRUCKING CO., INC.

MALCOLM BANK AND TRUST COMPANY
CHICAGO, ILLINOIS

24th

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Leon Hendrix

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JAN 1 5 1957

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CHICAGO, ILL.

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CHICAGO, ILLINOIS

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John Fitzgerald

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Deposit*

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JUL 23 1938

TOLEDO CLEANSING HOUSE

TOLEDO, OHIO

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EXHIBIT No. 79B

CHI-EAST TRUCKING CO., INC.
4001 NORTH WASHINGTON STREET
CHICAGO, ILL. 60640

PAID
TO THE ORDER OF

Mutual Trucking Co.

10303 D ★ I I B 207 E

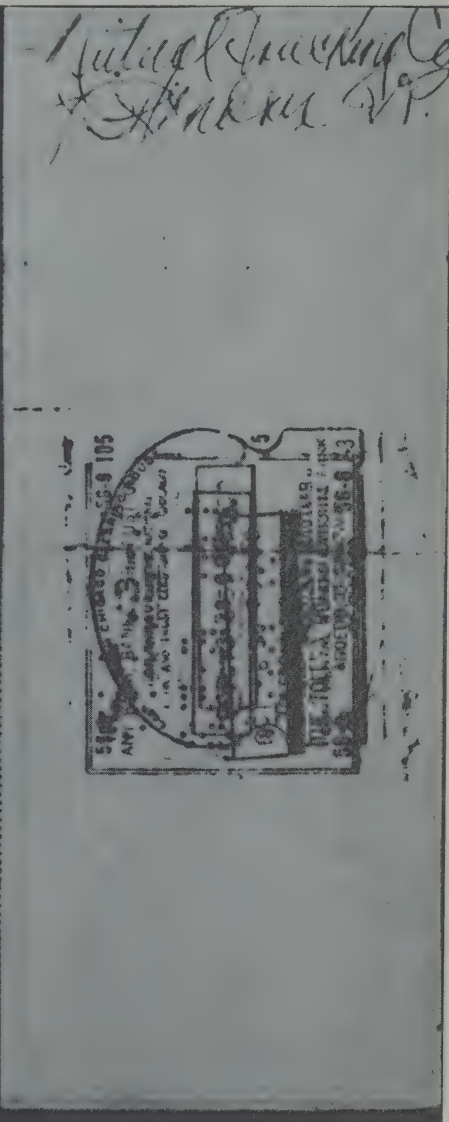
NO. 4267 716
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DOLLARS

CHI-EAST TRUCKING CO., INC.

MADISON BANK AND TRUST COMPANY
CHICAGO, ILLINOIS

James Fitzgerald



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NO. 2862

19 8-91
1720

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PRESIDENT
SECRETARY & TREASURER

20 PEX 246-248

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SEP 12 1956

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or Pay to the Order of
ANY BANK OR BANKER
All Prior Endorsements Guaranteed

The following is a list of companies at which Negro members of Local Union No. 299 are presently employed:

<u>Companies</u>	<u>Number of Negro Members</u>
Davidson Brothers	79
Middle Atlantic	4
Judd Cartage	1
Interstate Motor Freight	3
Perfection Automotive	7
Motor Equipment	16
Wheeling Corrugated	3
Weeco Rebuilding	8
George C. Wetherbee	5
Baker Driveway	1
Bartell	1
Commercial Carriers - Romulus	1
- Newburn	2
Hans Vroom	9
Texas Cartage	4
Texas Gas & Oil	5
Youngstown Cartage	3
Darling & Company	5
Riss & Company	12
Associated Steel Products	1
Auto Products	4
Don Cartage	2
Emery Transportation	1
Glenn Cartage	1
Harms	1
Mid-Emory	2
Motor Truck	13
J. O. Prain	1
Quickway	2
Oseo Steel	1
Craft Steel	11
Premier Steel	90
Empire Steel	10
Ryerson Steel	3
Intervale Steel	10
Rebar Engineering	2
Detroit Metal	3
Atlas Metal	1
Advance Steel	5
Brodies Muffler	12
U. S. Truck Company	8
J. L. Hudson Company	37
Tire Industry	175
Harbor Terminals	45
Wolf Detroit	29
Penn Dixie Cement	6

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